

FINANCIAL TIMES

Weekend FT

China's wild west frontier

The year of the anorak

Feasts in the Middle East

SECTION II

World Business Newspaper

WEEKEND JANUARY 6/JANUARY 7 1996

Russia's liberal foreign minister Kozyrev resigns

Andrei Kozyrev, the Russian foreign minister who helped reintegrate his country into the world community after the collapse of the Soviet Union, has resigned to become a deputy in the newly elected parliament.

Kantor sets up trade watchdog: US trade representative Mickey Kantor announced the creation of an office devoted to overseeing the enforcement of trade agreements.

Palestinian bomber killed: Mohammed Ayyash, the master bomb maker also known as "The Engineer", died in an explosion in the Gaza Strip, Palestinian officials said.

London stocks follow US trend

FT-SE 100 index

Hourly movements

3,740

3,720

3,700

3,680

3,660

2 Jan 96

Source: Reuters

during the day, eventually closing 9.6 points lower at 3,704.5. Over the week the FT-SE 100 rose 15.2 points.

Revolt against London exchange chief: The chief executive of the London Stock Exchange, Michael Lawrence, was dismissed after members of some of the largest investment banks staged a revolt against the way he was implementing share trading reforms.

UK lottery prize climbs above \$60m: Camelot, the consortium which operates the National Lottery in Britain, raised its estimate for the size of today's double rollover jackpot to a record \$40m (\$61.6m).

Bank of England warns on pay rises: Eddie George, governor of the Bank of England - the UK's central bank - suggested that a surge in wage deals could threaten the inflation target and reduce the likelihood of interest rate cuts.

British fishermen attack new rules: Fishermen risked another row with the UK government when they threatened not to comply with new fishing rules because no one in the industry can understand them.

Indian state may approve Narva plant: Expectations rose that the Dabhol power project, India's biggest and most controversial foreign investment, would finally get the go-ahead from the Indian state government of Maharashtra.

Queen makes musician a knight: American musician André Previn, the conductor laureate of the London Symphony Orchestra, has been awarded an honorary knighthood.

Princess discusses divorce: Lawyers for the Princess of Wales confirmed that she had met them to discuss a divorce from Prince Charles, following a letter from the Queen last month urging them to end their marriage after a three-year separation.

The new year has brought significant changes in the classification of UK companies by industrial sector in the FT-SE Actuaries share indices. To help guide readers through the current classification, today's FT includes an alphabetical listing of all companies in the London Share Services, showing the industrial sector to which each belongs.

Table with 2 columns: Company Name and Sector. Includes Abbot, Dalhousie, Ford, etc.

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Deal set to ease US shutdown

By Jurak Martin in Washington

The end of the three-week long partial shutdown of the US government was in sight yesterday after Republicans in the House of Representatives reluctantly agreed to a compromise plan that restores some, but not all, federal activities until January 26.

Republicans agree budget row compromise

due to resume White House negotiations over the balanced budget with leaders of both parties. Uncertainty over the budget again unsettled the dollar and US markets.

Hardline conservatives in the House refused to go along with the initial suggestion of congressman Newt Gingrich, the Speaker, that the government be returned more or less to normal until March 15 - with the restitution of full pay for about 780,000 affected civil servants.

deadline was also in doubt yesterday until the Speaker delivered a rousing speech to the Republican caucus. He warned fellow members of the adverse political consequences of continuing to hold federal employees "hostage" but promised no retreat from the balanced budget goal.

Several congressional Democrats made much of the fact that this meant government drivers could not get fuel in their cars and that bureaucrats might not even be permitted to make long distance telephone calls. The collection of economic statistical data also appeared still at risk.

Comic cuts threaten Marvel's heroes and villains

By Tony Jackson in New York

The empire of Marvel comics is under attack. Marvel Entertainment, home of Spiderman and the Incredible Hulk, is to axe some of its titles, shed 275 jobs and take a charge of \$26m in the fourth quarter.

Murayama resignation heralds turbulent period

By William Dawkins, Gerard Baker and Michyo Nakamoto in Tokyo

Japanese PM quits to allow 'fresh start'

Mr Tomiichi Murayama, Japan's prime minister, yesterday handed in his resignation after 18 months in the job, citing the need for the government to make a "fresh start".

His departure, months earlier than expected, paves the way for the conservative Liberal Democratic party to tighten its grip on the three-party government coalition and opens what promises to be a stormy period in Japanese politics.

Mr Ryutaro Hashimoto, the forceful minister for international trade and industry and LDP president, is expected to stand for prime minister in a parliamentary leadership election next week.

Japan's opposition New Frontier party moved on to the attack and called for a snap general election. His demand was echoed by several business leaders, including Mr Shoichiro Toyoda, chairman of the Keidanren economic federation.

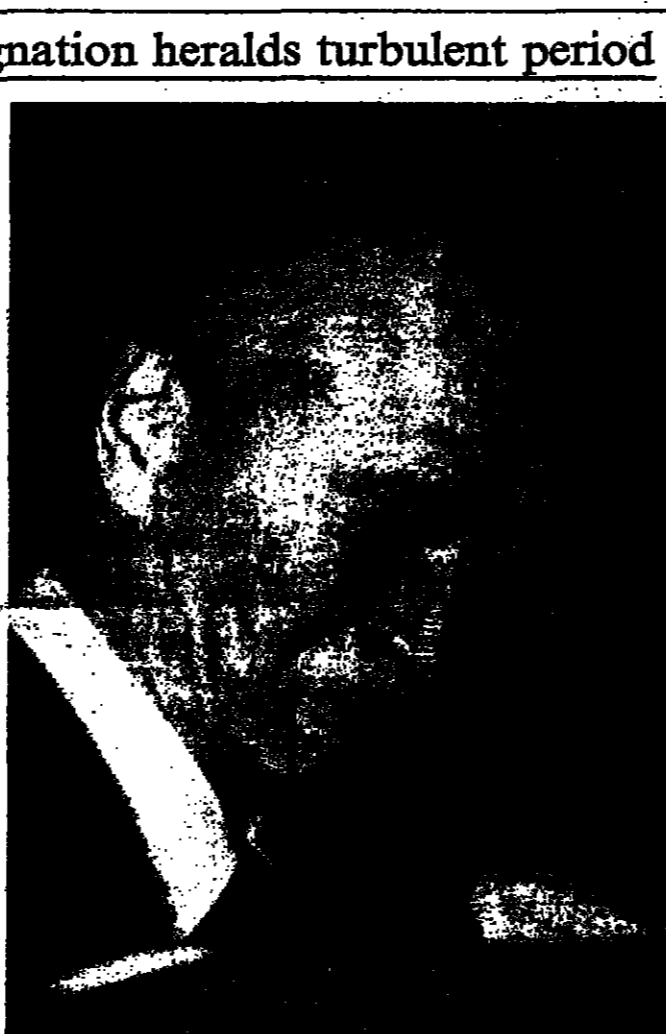
However, coalition officials said they planned to keep the alliance in its present form. Mr Murayama said the new government's main task must be to continue to seek economic recovery, rather than prepare for an election.

But a broader cabinet reshuffle is expected after the present line-up offers its resignation next week. Mr Masayoshi Takemura, finance minister, hinted he did not expect to remain in his job.

Mr Murayama, Japan's first socialist prime minister for 47 years, came to power in June last year in an alliance with the LDP, his party's traditional enemy, plus the New Heisei party, a left-leaning splinter group of former LDP members.

He has presided over one of the most turbulent periods in post-war Japan, including a series of bank failures, the worst recession since the 1930s, urban terrorism and the Kobe earthquake.

He has been unpopular with his party for jettisoning most of its policies to please the LDP, and with the electorate at large for alleged lack of leadership.



Murayama: his departure paves way for Liberal Democratic party to tighten its grip on the three-party government coalition.

Financial markets were little moved by the resignation. Fears of more political uncertainty offset optimism. The Nikkei 225 index closed up 51.03 at 20,669.03, though construction shares gained on hopes of higher infrastructure spending under Mr Hashimoto.

Mr Murayama's resignation casts fresh doubt on the government's chances of securing parliamentary approval for its scheme to bail out housing loan companies. The deeply unpopular plan involves spending more than ¥650bn (\$6.45bn) of public funds from the coming year's budget to help dispose of the bankrupt companies.

PM who buried socialism, Page 3 Labour leader in Tokyo, Page 4 Follow-the-leader game, Page 8

Adobe shares fall 40% as purchases weaken earnings

By Lisa Brunsten in New York

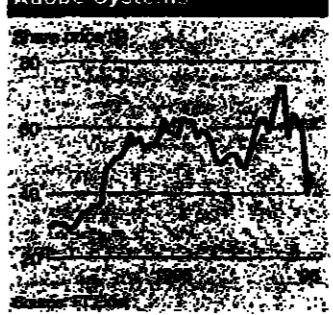
Shares in Adobe Systems, the US software maker, fell 40 per cent when trading opened yesterday on the Nasdaq stock exchange after the company reported a loss for the fourth quarter and operating earnings well below analysts' expectations.

The stock subsequently recovered and by late afternoon it was trading at 61%, a drop of 17% or 39 per cent.

The earnings news contributed to a third consecutive day of weakness across the technology sector. Since Tuesday, the Nasdaq composite, which is about 40 per cent technology issues, had fallen nearly 3 per cent. It opened yesterday's session with another decline of about 1 per cent. But late in the session, the Nasdaq had stabilised with a loss of 1.84 at 1,023.49.

Adobe is the leading provider of software for desktop publishing. Last year, it consolidated its hold on the sector by acquiring Frame Technologies and Cemea, two rivals. The new acquisitions were partly responsible for the

Adobe Systems



weakness in the fourth quarter. Operating income for the quarter - which excludes charges taken in connection with the acquisitions - was 40 cents a share, compared with 41 cents for the same period last year and the mean analyst estimate of 57 cents, including the charges, the company reported a fourth quarter loss of 16 cents a share.

Mr Charles Geschke, president and co-founder of Adobe, attributed some of the quarter's weakness to disruption caused by

Continued on Page 34

FREE GOLF FOR LIFE! LOOK WHAT AWAITS YOU AT A WATERMARK SECOND HOME. Unique setting - 3 bedrooms, 2 bathroomed golfing lodge situated on its own private uncrowded 18-hole course amid 800 acres of parkland.

سكنا من الاصل

**Congratulations Audi,
BMW and Lotus,
on your prestigious awards
by AutoWeek.
Our Opel Vectra team
could hardly be in better
company.**

Winning international awards for excellence is a heart-warming, but quite familiar experience for our engineers and designers. In fact, they can point to some five dozen major awards, just in the last three years. Naturally, further acclaim is always welcome to our team – as it is to Opel customers, who can be even more certain that they've made a wise choice.

This time, it was our brand new Vectra that won its first trophy: influential AutoWeek

magazine selected it as "the most significant" car at the Frankfurt International Motor Show. That's good news, especially as we shared the honours with three other highly respected names in the car business: Audi, BMW and Lotus. Each one was cited for a different aspect of automotive excellence.

So, bravo to our fellow award-winners and the Opel Vectra team for another great job. As we're sharing the honours, we'll happily share the

champagne. It's due to flow this week, during the official AutoWeek trophy presentation at the Tokyo Motor Show.

Cheers!

OPEL 

ECONOMIC D
CITY INDEX
FUTURES PA

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Gold gets off to a flying start

The gold market made a flying start to the new year as US-based investment funds rediscovered their taste for the precious metal.

BASE METALS

At the London Metal Exchange, where analysts were trying to predict where the current copper price slide would bottom out.

LONDON METAL EXCHANGE

Table with columns for metal type, price, and change. Includes Gold, Silver, Platinum, and various alloys.

Precious Metals continued

Table with columns for metal type, price, and change. Includes Gold COMEX, Silver COMEX, and Platinum NYMEX.

GRAINS AND OIL SEEDS

Table with columns for commodity type, price, and change. Includes Wheat, Soybeans, Corn, and Barley.

SOFTS

Table with columns for commodity type, price, and change. Includes Cocoa, Coffee, and Sugar.

MEAT AND LIVESTOCK

Table with columns for commodity type, price, and change. Includes Live Cattle, Live Hogs, and Pork Bellies.

LME Warehouse Stocks

Table with columns for metal type, stock quantity, and change.

\$397.50 an ounce. It retreated to close at \$396.10, up \$2.50 on the day and \$9.06 on the week.

Other base metals followed copper lead

Other base metals followed copper lead, notably aluminium, which, until this week had been showing some resilience.

NICKEL

Table with columns for nickel price, change, and other details.

ENERGY

Table with columns for energy commodity type, price, and change. Includes Crude Oil NYMEX and Heating Oil NYMEX.

POTATOES

Table with columns for potato type, price, and change.

COFFEE

Table with columns for coffee type, price, and change.

SUGAR

Table with columns for sugar type, price, and change.

Nickel prices also ended well up from the lows

Nickel prices also ended well up from the lows. The three months position dipped to \$7.455 a tonne on Wednesday but closed yesterday at \$7.720.

At the London Commodity Exchange

At the London Commodity Exchange, robust coffee prices remained under pressure.

COFFEE

Table with columns for coffee type, price, and change.

HEATING OIL

Table with columns for heating oil price, change, and other details.

SOYABEAN

Table with columns for soybean price, change, and other details.

ORANGE JUICE

Table with columns for orange juice price, change, and other details.

WHEAT

Table with columns for wheat price, change, and other details.

Physical support stopped during the 1992 rally

Physical support stopped during the 1992 rally. The 1992 peak of \$409 would be another critical level, she told Reuters.

Nearly supply tightness was still in evidence

Nearly supply tightness was still in evidence, with the premium for the prompt January position ending at \$156 a tonne.

COPPER

Table with columns for copper price, change, and other details.

NATURAL GAS

Table with columns for natural gas price, change, and other details.

POTASSIUM

Table with columns for potassium price, change, and other details.

WHEAT

Table with columns for wheat price, change, and other details.

WHEAT

Table with columns for wheat price, change, and other details.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Gold, Silver, Copper, etc.

PRECIOUS METALS

Table showing precious metals prices and changes.

LONDON BULLION MARKET

Table showing London Bullion Market prices.

NATURAL GAS NYMEX

Table showing Natural Gas NYMEX prices.

UNLEADED GASOLINE

Table showing Unleaded Gasoline prices.

INDICES

Table showing various market indices.

WORLD BOND PRICES

Table showing world bond prices.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bond yields.

US INTEREST RATES

Table showing US interest rates.

BORED FUTURES AND OPTIONS

Table showing bored futures and options prices.

LONG GILT FUTURES OPTIONS

Table showing long gilt futures options prices.

FT ACTUARIES FIXED INTEREST INDICES

Table showing FT Actuaries Fixed Interest Indices.

UK GILTS PRICES

Table showing UK Gilts prices.

FT FIXED INTEREST INDICES

Table showing FT Fixed Interest Indices.

ECONOMIC DIARY - FORWARD EVENTS

TODAY: Mr Malcolm Rifkind, UK foreign secretary, arrives in Hong Kong.

Japan

Japan: Notional Long Term Japanese Govt. Bond Futures.

Italy

Italy: Notional Italian Govt. Bond Futures.

Spain

Spain: Notional Spanish Bond Futures.

UK Gilts

UK Gilts: Long Gilt Futures Options.

FT Fixed Interest

FT Fixed Interest: FT Actuaries Fixed Interest Indices.

Other Fixed Interest

Other Fixed Interest: Various fixed interest instruments.

CITY INDEX advertisement.

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FREE 10 DAY TRIAL advertisement.

Man in the News • John Kemp-Welch

Epitome of a true insider

John Gapper on the discreet but ruthless Stock Exchange chairman

When Mr John Kemp-Welch joined the eminent stockbroking firm of Cazenove & Co in 1939, he received a note of welcome from one of the younger partners. "I have always enjoyed my short time here and the atmosphere, at times electric, is normally the best of fun," the partner wrote.

In Mr Kemp-Welch's latest job, the atmosphere has also been electric, but rather less fun. As chairman of the London Stock Exchange, he not only coordinated the abrupt dismissal of the chief executive, Mr Michael Lawrence, on Thursday morning. He also had to explain why he had been so ruthless.

Mr Kemp-Welch, used to operating in the discreet environs of Cazenove for most of his working life, looked like a mole who had been dragged blinking into the light as he set about the task at a press conference. He caused bemusement among some reporters by sticking doggedly to his prepared text.

Appointed a year ago after retiring as joint senior partner of Cazenove, Mr Kemp-Welch was not naturally suited to dispelling the suspicion that Mr Lawrence had fallen victim to an old boys' club. With his pin-striped suit and short back and side, he appears an archetypal City financier.

The manner of Mr Lawrence's departure provided plenty of material for conspiracy theorists. He was dismissed shortly after several of the largest City investment banks rebelled against the way in which he was implementing

reforms. He has indicated since that the City's forces of reaction were at work.

Mr Kemp-Welch seems an ideal candidate for leader of a City version of the "men in grey suits" who used to dispose of the Conservative party's unwanted leaders. His father was also a Cazenove partner, and he has worked in the City ever since leaving Winchester, the boys' public school.

He also displays many of the qualities of an establishment figure, combining charm with self-confidence and decisiveness. At Cazenove, he instituted reforms to the most pukka of brokers without spoiling its air of discretion and exclusivity in the City.

Those who worked with him at Cazenove admired the manner in which Mr Kemp-Welch retained the qualities of a partnership while introducing management disciplines. He slowly transformed the firm into a shape that would survive in the modern City without sacrificing its old virtues.

Mr Kemp-Welch showed the bristly side of his character in dismissing Mr Lawrence on Thursday. After consulting members of the exchange's board, he called Mr Lawrence to a meeting, and set him a deadline of half an hour to resign. Even with the help of

lawyers, Mr Lawrence was out within three hours.

He explained that it would have been worse for Mr Lawrence if he had been less decisive. "My experience in cases like this is that it is better there is a clean break," he said. To allow Mr Lawrence to work notice would have been "a recipe for indecision and lack of leadership".

Mr Lawrence had not made himself popular with many of the exchange's 350 members, sometimes introducing changes without bothering to consult them first. He saw it as unavoidable if he was to get things done rapidly. But many firms thought they deserved more attention as the exchange's owners.

Some City firms argue that Mr Lawrence should have seen what was coming, and his insensitivity blinded him to the degree of discomfort he was causing. Yet some government officials were discomfited by the suddenness of the move, saying that Mr Lawrence deserved more warning.

Such rapid and unforeseen action is characteristic of Mr Kemp-Welch. Those who have worked with him say his views are often hard to discern. "He is totally opaque," comments

one former colleague, who says that Mr Kemp-Welch tends to follow written notes in meetings, and is uneasy about giving away his personal views.

Some ascribe that to Mr Kemp-Welch's scrupulous sense of fairness. "He has exceedingly good judgment, and he thinks things through without rushing into them," says one colleague. "He will always listen carefully to an argument and make a decision without any prejudice to one side or another."

Yet before that decision is made, he remains sphinx-like. One reason is physical: he lost an eye at the age of six, which has left him with a slight squint and makes him difficult to read.

Whatever the rights and wrongs of this week's events, Mr Kemp-Welch now faces the task of acting as a temporary chief executive before a replacement is found. This may not be an appetising prospect, even leaving aside the glare of the publicity which he could avoid at Cazenove.

One broker says he was surprised that Mr Kemp-Welch took the job of chairman in the first place. "If I had quite a high profile at Cazenove, and was 57 years old, that is not the way I would like to see my days out," he says, arguing

that the task needs someone younger with plenty of energy.

Part of the problem is that it has become less clear what the chairman of the exchange should do. The exchange used to be run by a council led by its chairman, who interpreted its views as he saw fit. But under Sir Andrew Hugh Smith, Mr Kemp-Welch's predecessor, the structure changed.

The exchange now has a board representing members, and a more powerful executive led by a chief executive. Given the breadth of membership from the largest investment banks to small regional stockbrokers, there is immense potential for conflict between owners and executive directors.

Mr Lawrence put some members' noses out of joint by pushing to the limits the powers of the chief executive. Some members complained that by chairing various policy committees, he in effect blocked an important channel through which they could exercise an overview.

Mr Kemp-Welch will now have to come up with a fresh way of acting as both chairman and de facto chief executive while they search for a replacement for Mr Lawrence. He said on Thursday that a chief executive should both

"formulate and drive through strategy" and "win the confidence of member firms" and get their approval for strategy.

That would be a tough task at the best of times, but it is becoming more so as the exchange faces critical debates on the methods of share trading in London. In practice, Mr Kemp-Welch will be forced to perform the job according to his own specifications while many if not all of the decisions on this are taken.

One member says there is inevitably a gap between the views of an ambitious chief executive, and members. "There are 1,100 people and it costs £170m a year to run. As a member, I find that unacceptable, but if you are an executive, you have a motive to expand services and costs," he says.

One broker says that Mr Kemp-Welch's awkwardness at having to operate under the public gaze does not indicate the challenge is beyond him. "He is clearly not terribly good at the public role, but just because he finds it hard to operate in the limelight does not mean he is ineffective," he says.

However Mr Kemp-Welch manages the task over the next few months, it is unlikely to bring him as much joy as working at Cazenove. Yet the general City consensus is that he has as good a chance as any of achieving harmony at the exchange. He not only has the experience of running Cazenove, but the contacts of the true insider. But he must now justify his treatment of Mr Lawrence by showing that he can do better.



S. PRINCE

Samuel Brittan

Christmas teaser sows confusion

Do you benefit from a rise in the price of wine in your cellar? The answer is not that obvious



I was besieged by interesting letters after my column of Saturday December 16, when I reported an experiment - involving the theoretical gift of a bottle of wine - to test popular economic beliefs ("Glad tidings of dear joy"). Perhaps it was the season, but the topic obviously attracted more attention than the Bank of England's inflation forecasts.

Readers of a newsletter were asked the question: "Suppose you bought a case of good 1982 Bordeaux for £20 (a bottle) and it now sells for £75. You give a bottle to a friend. Which of the following best captures your feeling of the cost to you as a gift?"

The correct economic answer was meant to be £75. But it will not cost you £75 to replace the wine you give to a friend.

This answer was one of five options given to the newsletter's readers. But only a minority accepted it. The other options ranged from "Nothing. I paid for the bottle already" to a gain of \$55 - "I only paid £20 for a £75 gift". The majority of responses were for these other answers, with zero cost coming out on top.

I was reluctant to leave the matter there and threw open the question to FT readers with the enticement of a copy of my last book, *Capitalism with Human Face*, for the best comments. I was mildly surprised by the number of wine connoisseurs who insisted that they could drink without cost. They said that when they bought the wine it was an investment and when they drank it "they had it there". They obviously believed that, even if there is no free lunch, there is such a thing as a free bottle of wine.

Many readers showed knowledge of the practicalities of wine trading and the time and effort required to sell individual bottles. They would, however, have to know the academic world to appreciate that the questioner probably had in mind a perfect market, in which any bottle of wine could be bought or sold at a single established price.

The most comprehensive analysis

came from an architect, Nathan Silver, who receives my first prize. He listed the different kinds of "logic".

Existential logic. A feeling that certainties conventionally discerned on the past - "this is the first day of the rest of my life". So the wine is already there and I pay nothing more. "In its existential way this is unassailable."

Legal logic. "The cost is £20, the amount I paid for it." This is the familiar presumption encountered in law, where changing market values are often ignored.

Mediated logic. "Twenty dollars plus interest." It might dawn on an arbitrator that some account should be taken of the increased market value of the wine. But he or she does not want to take into account the whole of the difference between the initial payment and sales value. "Logically flawed, but commonplace. I am sure the High Court would never overturn an arbitration award with such a stated opinion."

Economic logic. The cost of the wine is the £75 it would take to replace it. This is nearly the economist's answer based on opportunity costs - a useful idea but not what the word "cost" usually means in real life.

Bimbo logic. There is no cost, only profit. "I only paid £20 for a £75 gift." This is equivalent to the advertising slogan which urges you to buy a cut-price fridge and thereby gain £100. Nevertheless, as my original article showed, there are situations in which the bimbo would have a case - for instance, if he or she had always

intended to hand over a gift worth £20 and no more.

A special prize goes to Vivian Bazalgette, who points out that "realisable value" is a better approximation than replacement cost to the economist's notion of opportunity cost. If it is easy to sell a bottle of wine at its current market value of £75, the two ideas come together. But take another example: a machine that has become obsolete. The only economic cost to the owner of parting with it is its scrap value. Hence the saying "Bygones are forever bygones". Indeed I received some excellent expostions of the principles of replacement cost accounting. But these are of no use when replacement does not make sense.

I was surprised by the number of wine connoisseurs who insist they can drink without cost. Some go so far as to believe that, even if there is no free lunch, there is such a thing as a free bottle of wine

I have to admit, however, that the greatest personal value of the correspondence came from the further stimulus to my own thinking. My biggest worry with the supposedly correct answer was how a piece of good luck, such as a large increase in the market value of one's wine, could appear to impose a cost.

The answer is, surely, that two events have happened. The increase in the value of the wine may have made me wealthier. Indeed, if we assume that it is a case of six bottles, it may have made me better off by \$330 (£450 minus £120) minus interest. The cost of giving the bottle to a friend is still £75 in terms of the opportunities forgone - whether in terms of selling the wine or drinking it oneself. On the other hand I may be in a better position to make a more expensive present.

Why is it that I only "may" be wealthier? I will be if it is a one-off purchase of a case. But take the example of a person who has purchased for £20 wine that he happens to like very much, as well as wanting to give to friends. The rise in price could then reduce his wealth. For he will want to make repeat purchases of the very same wine, which will make larger inroads on his lifetime income - unless of course the wine falls back in price.

Even in the case of the single purchase, to become better off - other than in a gloating sense - the owner would either have to sell his asset or at least borrow on its strength. Such

market transactions are much more likely in the instance of a house than of a case of wine. A homeowner whose property has doubled in value can rationally borrow more to finance a higher standard of living (equity withdrawal). Moreover, even if he is content merely to live in his home, the knowledge that he could, if necessary, trade down and buy more goods than he could before increases his range of possibilities.

In the example of wine, none of these possibilities is very realistic unless the person concerned is a professional wine dealer. Conventional economic logic can show that - given stable tastes and a constant amount of altruism - he would be better advised to drink more bottles himself and give fewer away.

I cannot resist offering a consolation prize to a retired civil servant, A.T. Aitchison, who said that my problem reminded him of a recent Whitehall conundrum: what do two and two make? It depends whom you ask. The statistician will say that 99.9 per cent of the time it makes four. The economist's view depends on his official persuasion. The Treasury official will, however, ask: "What figure did you have in mind for an answer, minister?"

There is one more prize. This is to Harvey Cole, who asked about the economics of the prize. He assumed that the cost to me was zero, so long as stocks of my book were not exhausted and that, indeed, I derived a positive benefit from promotion. The book would have been perfectly correct had I been my own publisher. But he must know that, however low the marginal cost of copies, publishers do charge authors for promotional copies over and above a certain free ration, long ago exhausted.

Finally, if any reader seriously wants to explore both the content and the limitations of the underlying arguments, I would recommend a book entitled *The Theory of Choice* by S.H. Heap and others (Blackwell, 1984). The questions are mostly segregated in boxes for the attention of the conscientious. But do not expect this book or anything like it to make any of your wine-buying decisions for you.

A feathered celebrity

Taiwan's wildlife is benefiting from growing environmental awareness, says Laura Tyson

Wildlife appreciation in Taiwan has traditionally been confined to the dinner table. Times are changing - fortunately for the creatures that inhabit the island. But Taiwan's newfound environmental awareness has created problems both for business and for government officials charged with promoting the country's economic development.

One of the chief beneficiaries of these changing attitudes - in a country where the plumage of luxury cars is still more prized than that of rare birds - is the black-faced spoonbill.

This endangered waterbird, known for the conical way it waggles its spoon-shaped beak from side to side when feeding, has become something of a local celebrity. Every day, bus loads of birdwatchers, students and tour groups head for the Tseng Wen estuary near the southern coastal city of Tainan, armed with binoculars and telescopes, hoping to catch a glimpse of it.

Environmentalists first rallied to protect the spoonbill a few years ago, after a count revealed that only about 430 birds remained, and it has now become a focal point for the environmental movement.

The movement has gathered strength in recent years, helped by the advent of democracy in the late 1980s and Taiwan's improved economic circumstances. These have encouraged the people to complain more vociferously about the high level of pollution, caused mainly by the heavy industries that made the country rich.

Conflicts between industry and environmentalists have proliferated, as growing companies have tried to secure land - a scarce and expensive commodity in this crowded, heavily industrialised island. The black-faced spoonbill, therefore, is not popular with the companies that have been prevented from setting up factories near its habitat.

One industrial park that would have destroyed the spoonbill's favourite feeding ground has already been shelved. Now activists are trying to

The greatest dramas of an opera house tend to take place off-stage, in the rehearsal rooms and the director's office, rather than before the audience. Rarely, however, have Britain's opera houses been so afflicted with such off-stage tensions and tantrums as they are today.

This week Mr Jeremy Isaacs, general director of the Royal Opera House, Covent Garden, has announced that he needs to reduce the 1,000-strong workforce by a tenth to avoid a financial crisis in 1996-97. He has also seen his company's planned temporary home during the 1997-98 closure of the Royal Opera House for redevelopment crumbling.

By the end of March Covent Garden will be carrying an accumulated deficit approaching £1m (£1.54m). The prospect for the new financial year look bleak. Corporate sponsorship of new productions has fallen by £1.5m and, for the second successive year, the increase in its grant from the Arts Council will be below the rate of inflation. Mr Isaacs plans to cut costs by £2m.

At the same time Mr Isaacs has to decide what to do with the opera and dance companies during the closure. They were expected to perform for two seasons at a new theatre to be built south of Tower Bridge, but the developer, GLE, has failed to sign up tenants for the £27m project after the opera and dance compa-

Opera houses hit a sour note

Managers are engaged in a balancing act, says Antony Thorncroft



nies return to Covent Garden, and its future is in doubt.

Such setbacks are not confined to Covent Garden. Big challenges confront most of the nation's opera companies. Perhaps the bleakest prospects are at Welsh National Opera, which last month saw its bid for £40m of lottery money to build a much-needed new opera house at Cardiff Bay turned down.

Scottish Opera faces the break-up of its orchestra as a full-time ensemble because of financial problems, while Opera North in Leeds risks losing its highly esteemed music director, Mr Paul Daniel, to the English National Opera.

The ENO, in its turn, has had no music director since the abrupt departure of Ms Sian Edwards in November. And, on top of an accumulated deficit of more than £3m, it faces an agonising choice of whether to stay put at the crumbling Coliseum in central London or seek a future in a new purpose-built home, lottery money permitting. Only Glyndebourne, still very much the personal fiefdom of Sir George Christie, is financially and artistically secure.

But it is Covent Garden that commands centre stage for appearances by the tenor Luciano Pavarotti at £275 does little to dispel the illusion that the lottery pounds of the poor are subsidising the pleasures of the wealthy.

Mr Isaacs devotes much of his time to countering such canards, pointing out that Covent Garden's international rivals in Vienna, Paris and Milan are up to twice as costly for the public purse. He argues that overpricing for Pavarotti enables Covent Garden to reduce seat prices for challeng-

year, at the time of his retirement. His successor will reopen a refurbished building with a second auditorium, new backstage facilities, and a home for the Royal Ballet in the autumn of 1999 - in time for the millennium. The Arts Council is prepared to put up the lottery money to keep the dance company, the opera chorus and the orchestra together during the closure, but only if Covent Garden can come up with a viable commercial plan.

Mr Isaacs still hopes that GLE will find a possible successor tenant for the Tower Bridge Theatre. The first choice, the Disney Corporation, wants more time to consider. In the meantime Mr Isaacs must start planning a possible schedule which would include UK and foreign touring performances at the Royal Albert Hall in Kensington, and limited seasons in unsatisfactory London theatres.

He holds two aces. Neither the government nor the Arts Council can envisage Covent Garden closing down: the loss of national prestige would be too great. He also has the continued support of Lord Sainsbury and Mrs Vivian Duffield, who have pledged considerable sums, believed to be about £20m each, towards the £78.5m that Covent Garden needs to be sure of lottery funding for the new opera house. These are advantages that the directors of the UK's other opera companies can only view with envy.

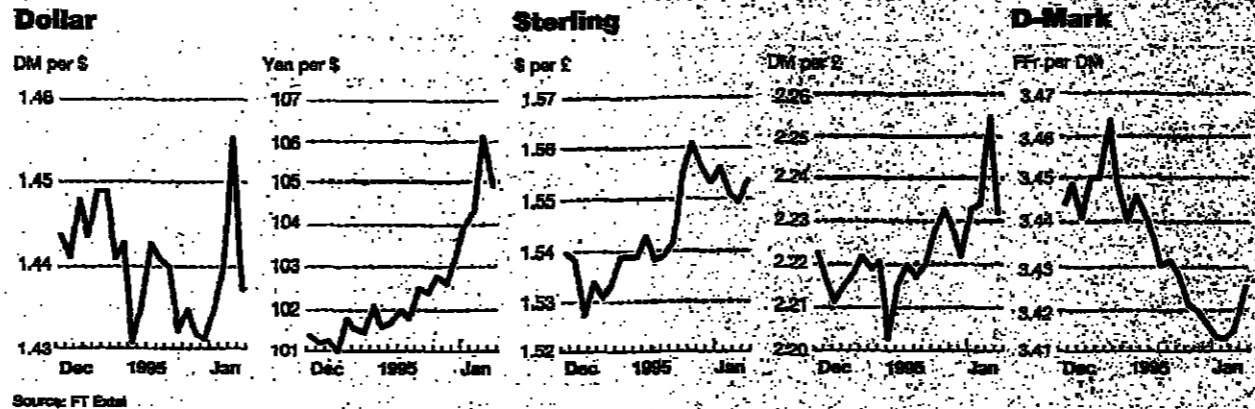
CURRENCIES AND MONEY

MARKETS REPORT

Dollar stalls

By Philip Gawth

The dollar's impressive start to the new year ran into the buffers yesterday as deepening unease about the continuing US budget deficit infected interest rate and currency markets alike. The dollar's retreat started late on Thursday when the heightened rhetoric of the budget dispute, including Republi-



between the US and Japan unraveled a dollar rally. Last year, it was the Mexican crisis, which performed the same function, while this time round it is the budgetary impasse which is threatening to head off further dollar strength. Mr Paul Chertkov, head of global currency research at UBS in London, said the rhetoric of Washington meant that the market had had a first whiff of default - something previously seen as a zero risk. He said the uncertainty had caused some dollar bulls to li-

WORLD INTEREST RATES

Table with columns: MONEY RATES, January 6, Over-night, One month, Three months, Six months, One year, Libor, Dis. rate, Repo rate. Rows include Belgium, France, Germany, Ireland, Italy, Netherlands, Switzerland, US, Japan, etc.

POUND SPOT FORWARD AGAINST THE POUND

Table with columns: Jan 5, Closing mid-point, Change on previous, Bid/Offer spread, Day's Mid low, One month, Three months, One year, Bank of England. Rows include Europe, Americas, Asia, etc.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Table with columns: Jan 5, Closing mid-point, Change on previous, Bid/Offer spread, Day's Mid low, One month, Three months, One year, JP Morgan. Rows include Europe, Americas, Asia, etc.

EURO CURRENCY INTEREST RATES

Table with columns: Jan 5, Short term, 7 days notice, One month, Three months, Six months, One year. Rows include Belgium, Denmark, Dutch, French, etc.

CROSS RATES AND DERIVATIVES

Table with columns: EXCHANGE CROSS RATES, Jan 5, Bid, Offer, DM, FF, L, F, Nkr, S, Y, etc. Rows include Belgium, Denmark, France, Germany, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Jan 5, Bid, Offer, % change on day, % of unit, % spread, Div. Rows include Spain, Netherlands, Belgium, etc.

THREE MONTHS EURO FUTURES (DATE) Paris Interbank offered rate (FF/m)

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

THREE MONTHS EURO FUTURES (LIFE) Dm100m points of 100%

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

THREE MONTHS EURO FUTURES (LIFE) L1000m points of 100%

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

THREE MONTHS EURO FUTURES (LIFE) SF1m points of 100%

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

THREE MONTHS EURO FUTURES (LIFE) SF100m points of 100%

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

US DOLLAR FUTURES (D/M) Dm 125,000 per Dm

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

JAPANESE YEN FUTURES (D/M) Yen 12.5 per Yen 100

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

US TREASURY BILL FUTURES (D/M) \$1m per 100%

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

SWISS FRANC FUTURES (D/M) SF 125,000 per SF

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

STERLING FUTURES (D/M) £25,000 per £

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

EUROBOND OPTIONS (LIFE) Dm10m points of 100%

Table with columns: Strike Price, Jan, Feb, Mar, Jun, Sep, Dec, Calls, Puts.

UK INTEREST RATES

LONDON MONEY RATES

Table with columns: Jan 5, Over-night, 7 days, One month, Three months, Six months, One year.

THREE MONTHS STERLING FUTURES (LIFE) £500,000 points of 100%

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

PHILADELPHIA 6/5/5 OPTIONS \$21,250 (points per pound)

Table with columns: Strike, Jan, Feb, Mar, Jun, Sep, Dec, Calls, Puts.

UK clearing bank base lending rate 6% per cent from December 13, 1995

Table with columns: Up to 1-3 months, 3-6 months, 6-9 months, 9-12 months.

SWISS FRANC FUTURES (LIFE) SF100m points of 100%

Table with columns: Mar, Jun, Sep, Dec, Open, Settle, Change, High, Low, Est. vol, Open Int.

BASE LENDING RATES

Table with columns: Bank Name, Rate, %.

OTHER CURRENCIES

Table with columns: Jan 5, Bid, Offer, % change on day, % of unit, % spread, Div.

The Financial Times will publish a Survey on Franchising on Tuesday, March 5. This survey will focus on areas such as research for potential franchisees, explores sources of funding available and highlights the specialist help available. For more information, please contact Lesley Summer Tel: +44 (0) 171 873 3308 Fax: +44 (0) 171 873 3064 FT Surveys

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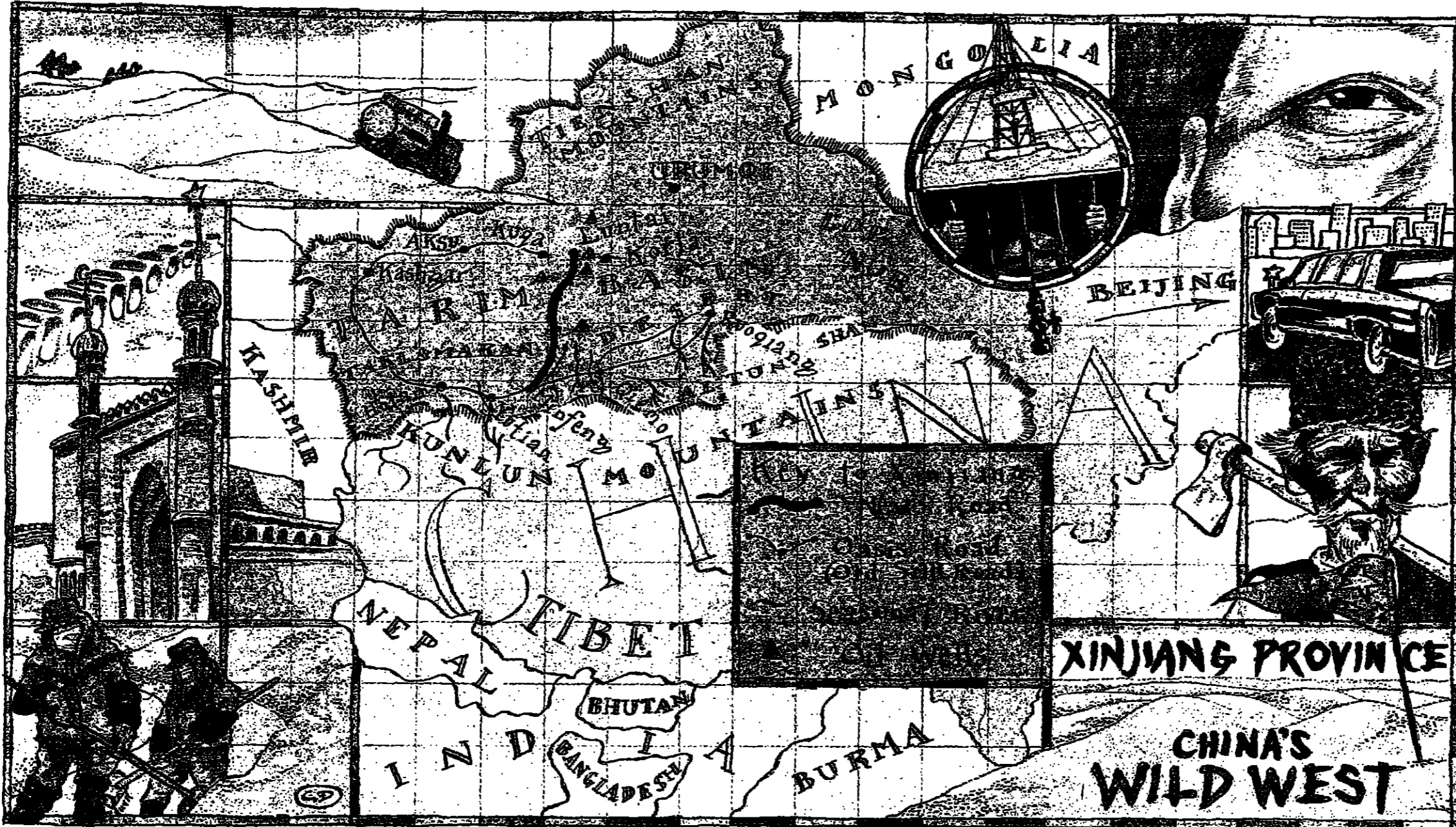
AUTHORISED UNIT TRUSTS

Main table listing various unit trusts with columns for Name, Manager, and Price. Includes sub-sections like 'Starting Fund Managers Ltd - Cont.', 'Credit Suisse Funds (UK) Ltd (2000)', 'Friends Provident Unit Trusts - Cont.', etc.

Guide to pricing of Authorised Unit Trusts. Compiled with the assistance of AUTIF SS. Includes sections on Initial Charge, Periodic Charges, and Ent Charges.

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Weekend FT



The red flag in China's wild west

Christian Tyler braves the harshest of conditions to witness the economic development of the remote Xinjiang province

Out in the middle of the desert, five days march from the nearest habitation, there was nothing to be seen: not a bird, not a fly, not a twig or a stone - just a petrified ocean of sculpted sand dunes, pale as death, stretching soundlessly to the horizon.

But suddenly there appeared among the frozen billows, at the foot of a dune where our camel train had halted and almost obliterated by the desert wind, the marks of heavy-duty tyres. Further on, somebody had planted a red flag in the yellow-grey sand.

"Oil prospectors," said the camel driver.

This is the Taklamakan desert, one of the loneliest places on earth, an empty space in China's wild west province of

Xinjiang. Protected by soaring mountain ranges on three sides and cut off from the east by the black pebbles of the Gobi, it has been shunned for centuries because of its evil reputation - the fearful *karaburan*, or spring sandstorm which turns the sky black, and temperatures that swing from over 50°C in summer to minus 50°C in winter.

Not until the arrival of the Swedish explorer Sven Hedin a century ago did any man dare to penetrate the Taklamakan - and he nearly died on his first attempt. Nor, until a British-Chinese expedition two years ago, had anybody travelled the entire 1,000km from side to side. These days a few hardy groups of tourists are making forays into the sands.

The marker, a simple cane with a red flag, stood as a sym-

bol of China's determination to exploit its newest dominion and last frontier. Hitherto treated as a military buffer zone against Soviet power, a test site for nuclear weapons and a dumping ground for political opponents - the equivalent of Russia's Siberia - Xinjiang has been caught up in the hectic economic development which some forecasters say will make China the dominant economy of the next century.

But development has its price. Not only is it expensive to build roads and railways over terrible terrain but the native population is becoming angry. In China's wild west, the unhappy part of the Red Indians has fallen to the indigenous Uighurs, Moslem people of Turkic descent and Caucasian appearance who inhabited

the oasis towns and villages round the desert's edge long before the Manchus arrived in the 18th century. The Uighurs complain of economic apartheid. They say the benefits of progress are going largely to the immigrant Chinese, the profits of agricultural and mineral exploitation are appropriated by Beijing and their culture and rights stripped from them. "We feel completely powerless," said a young Uighur in Urumqi, the provincial capital.

Although determined to push ahead, the Chinese are unsure of the real extent of Xinjiang's hidden wealth. Wang Tao-wang, president of the China National Petroleum Corporation, two years ago described the Tarim Basin in which the Taklamakan lies as "another Middle East". But

two auctions of drilling rights to foreign oil companies flopped and a third round, the results of which are about to be declared, is thought by western experts to have gone no better. Although Wang has been forced to revise his estimates, foreign companies are reluctant to pull out altogether in case the wind changes in their favour.

Most of the Tarim Basin wells are located on the northern edge of the desert, where the town of Korla is being developed as the principal refinery and transport terminus. But six-wheeler trucks continue to plunge into the desert, defying the dreadful conditions. "We have had to redesign all our air filters for the desert," said a Mercedes-Benz engineer in Kucha, "and Caterpillar (the US earthmoving

equipment manufacturer) broke the first crankshaft in its history."

Now there are oil derricks in the very heart of the desert. Alpine snow-prevention technology has been adapted to keep the fine sand at bay. The road is inhabited along its length by imported labourers - possibly prisoners - who sweep the surface and maintain the artificial barriers on either side.

The desert highway will bring economic progress - not to mention greater political control - to the undeveloped

the south, slicing the Taklamakan in half. A carriageway has been blasted through 350km of mountainous dunes; Alpine snow-prevention technology has been adapted to keep the fine sand at bay. The road is inhabited along its length by imported labourers - possibly prisoners - who sweep the surface and maintain the artificial barriers on either side.

The desert highway will bring economic progress - not to mention greater political control - to the undeveloped

Continued on Page II



Joe Rogaly

The big EU squeeze

The government's future? The answer lies in orange juice

Enough, I am as pro-European as the next woolly liberal, but when the European Union messes about with my morning orange juice, watch out commissioners. Someone must be defenestrated. We avengers will strike soon... You might expect such irritability to lead me to cross the floor, to join the Eurosceptics, but I am not and bothered, not mad.

The explanation is simple. Britain is apparently the world leader in marketing freshly-squeezed o.j. Its distribution network, plus refrigerated lorries, is ideal for this branch of the just-in-time food industry. The squeezers import Late Valencias, the best for squeezable juice, from wherever the fruit is cheapest at a particular time of year. Now they have been asked to pay a 20 per cent tariff if the oranges are not grown in Spain or Portugal or another EU country. Spain is the last place you would go for Late Valencias.

Unless granted a dispensation, this impost could distort an otherwise useful trade. I once sat next to an orange juice dealer on a flight to Madrid. He was off to set up a buying operation for Super Mega-foods, or some such corporation - anyhow, he said it sold one twentieth of all comestibles bought in the US.

That is some spaghetti. It makes lottery money look like the confetti it is. He told how o.j. futures worked better than pork bellies. You might buy Florida one moment, Brazil the next, Mexico or north Africa the following week.

Mr Super Mega-food was moving the raw material for frozen juice, or concentrates, the pasteurised glob we had to drink before the freshly-pressed delight came in. That is what most Americans still swallow. In truth, no o.j. distribution system works better than keeping the divine fluid in oranges and squeezing it out immediately before serving, but who has the time? Britain's refrigerated, unadulterated, almost-fresh near-nectar is next best. Since we remain members of the EU, we are likely to be asked to pay more for every sip.

Or perhaps not. The European Commission, I was told when I called Brussels, recognises that Britain has a special problem here. It is in the midst of an internal debate about whether to allow UK squeezers of fresh juice to import a specified quota of non-EU oranges at a low price. They are having a meeting about it next week. The supermarket shelves will tell us what happens.

Sensible folk like you and I will at once perceive the lesson to be learned. It is not,

repeat not, to go all sulky and say that Britain should leave the EU. It is, rather, to determine that the tariff regime imposed quite legally under the world trade rules agreed in the Uruguay Round is liberalised at every opportunity.

Dispensations, special quotas, five-year delays, lower support prices, trade-offs, bargains, free access for Polish wheat - little by little the per-

The inclination on the continent is to wait for Britain to make up its mind

verse effects of the EU's agricultural protectionism must be ground down. The goal is to allow Europeans cheap food in the 21st century, something Americans enjoy now.

The British government, or part of it, recognises this and does its best. It is, alas, not wonderfully placed to make alliances, lobby, rub shoulders with friends, horse-trade, haggle, shake hands on fresh understandings. As we all know, this is because it is divided about Europe. On the one side are the Eurosceptics, no friends of Brussels. On the

other stands the prime minister, his heels dug in, cutting a deep scar in the earth as he is dragged ever closer to renouncing the single currency, or, indeed, any further evolution of the union itself.

The natural inclination on the continent is to wait for Britain to make up its mind. Yet the real work of government lies in everyday negotiations about the price of fresh orange juice, or fishing rights, or similar matters. The question for 1996 is - how long can a Conservative administration led by John Major carry on dealing effectively with such intricate details of EU policy? My answer would be - for a while yet, but the government's useful life is drawing to a close.

This is only partly a consequence of the changing balance in the house of commons. Two backbench Tory MPs have defected to opposition parties, and deaths and by-elections have reduced the Conservatives' overall majority to three. In most other countries the natural outcome would be for the largest party - in this case the Tories - to seek coalition with one or other of the smaller factions.

This is happening, sort of, but not in the open, if scratchy, manner of the pact between the CDU and the FDP in Germany. Mr Major will rely on the Ulster Unionists if

his continuation in office is threatened by a vote of no confidence. Both sides have stressed that there is no deal, covert or otherwise. The Conservatives will continue with their present stances in Northern Ireland; the unionists will keep the government in power while they see an advantage to themselves in doing so. It is an agreement about power, not principle.

As such, it is naturally precarious. The possibility that the government will fall during 1996 is stronger than it was before Christmas. But that is not the issue. What should bother ministers with a decent sense of public duty is whether their government can do its job properly.

On Europe and Northern Ireland it may not be able to for many more months. Against that, Kenneth Clarke's management of the economy remains sound. Remarkably, the chancellor has not panicked. The tax changes in his recent budget were small; his approach to reducing interest rates has been circumspect. We shall see if that lasts.

If it does not Mr Major should step down, and take his government with him. If Mr Clarke's nerve holds, watch Ulster and the EU. They - and the price of o.j. - could determine whether, and when, the end has come.

CONTENTS



How to Spend It: My £27,000 shopping spree IV

Food: Feasts in the Middle East VIII

Travel: The seaborne sprinters of the Gulf IX

Gardening: There is no blueprint for the perfect garden VI

Arts: Nigel Andrews meets Robert Duval XII



Sport: The West Indians with their minds on other things XIV

Property: Hot properties in Paris VI

Fashion: Skidwear for the slopes and the high street V

Arts	XII, XIII
Arts Guide	XV
Books	X, XI
Bridges, Chess, Crossword	XV
Fashion	V
Food & Drink	VIII
Gardening	VI
How To Spend It	IV
Motoring	IX
Property	VI
Science	II
Small Businesses	II
Sport	XIV
Travel	IX
Weekend Investor	XVI, XVII

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PERSPECTIVES

Science / Andrew Derrington

Why I will continue to enjoy beef steak

The big question is whether the species barrier prevents humans being infected with mad cow disease

The scare about whether humans can be infected with bovine spongiform encephalopathy - mad cow disease - brings a new theory of disease transmission to the scientific stage. Prion theory revives the idea, laid to rest by Louis Pasteur over 100 years ago, that the agents of infectious diseases can be generated spontaneously.

Prion diseases include Creutzfeldt-Jakob disease which affects man, the sheep disease scrapie and BSE. All cause degeneration of the brain. The essential event of the disease is the conversion of a natural chemical called prion protein (PrP) which occurs on the surface of all nerve cells and which is broken down and resynthesised continuously throughout life, into a form resistant to the enzymes that normally process it. The enzyme-resistant form of prion protein, known as PrP^{sc}, builds up inside cells, killing them and causing extensive degeneration of the brain.

The novel theory, proposed about 10 years ago, is that the agent con-

verting normal prion protein into PrP^{sc} is simply PrP^{sc} itself. Infection occurs when prion protein from a diseased brain is transferred into a healthy brain. As the disease takes hold, the host prion protein that has been converted into the diseased form triggers further conversion. Contaminated human hormones prepared from the brains of cadavers have been identified as a cause of CJD, says Charles Weissmann, of Zurich University.

Prion theory explains rather neatly why prion diseases do not transfer easily between species and why, once the disease has crossed the species barrier, it is easily transmitted between different members of the same species. The prion pro-

teins of different species differ in their amino acid sequences. This hinders the interaction that produces PrP^{sc} in the host. But once the interaction has occurred, the resulting PrP^{sc} is characteristic of the host, not of the donor.

Weissmann says that it takes a long time for material from mice with scrapie to cause the disease in hamsters, and vice versa. However material from hamsters with scrapie infects other hamsters quickly, whether the original source of the scrapie was mice or hamsters. Moreover, mice genetically engineered so that their brain cells produce hamster prion protein are easily infected by hamsters and mice engineered to produce no prion at all

are immune to scrapie.

The big question is whether the species barrier prevents humans being infected with BSE. There is no indication that this has happened, but it is difficult to prove that it never could. Two pieces of evidence are reassuring, although not conclusive.

First, according to Jeffrey Almond, of Reading University, humans seem not to be susceptible to sheep scrapie (thought to be the original cause of BSE) in spite of widespread consumption of infected animals. Second, experiments by John Collinge and colleagues at Imperial College School of Medicine show that mice with the human PrP gene can catch human prion dis-

eases, which normal mice cannot. But these mice, which also have the normal mouse PrP gene, are no more susceptible to BSE than normal mice, and when they are infected with BSE they make mouse PrP^{sc} and not the human form.

Experiments now under way with mice that have the human PrP gene but not the mouse PrP gene should give a clearer result, because if the species barrier between cows and humans is impermeable these mice should be immune to BSE. However it could be two years before they die from natural causes and allow the experiment to be completed.

The difference between the normal prion protein and the enzyme-resistant form is simply the way the

molecule is folded. Proteins consist of long chains of amino acids, and the way the chain folds determines the properties of the molecule.

According to Rosalind Ridley, of Cambridge University, most scientists believe that the conversion from PrP to PrP^{sc}, which triggers the disease, can occur spontaneously. About 80 per cent of cases of CJD in humans appear to be spontaneous.

Some scientists do not believe that PrP^{sc} is the only agent of infection in prion diseases. Chris Bostock of the Institute for Animal Welfare in Compton points out that there are "at least 20 different strains of scrapie" characterised by differences in the survival time and

in the pattern of brain damage they produce in mice. Such a large variety is difficult to account for if prion protein alone is the infective agent. Bostock suggests that something else - another protein or perhaps nucleic acid - may be involved.

Ridley thinks that the number of different strains has been overestimated. "Almost everything can be explained by the difference between the host species and the donor... The real test evidence for the existence of different strains comes if you do serial passages where you repeatedly infect genetically identical mice with material from the same type of mouse and you get diseases with different incubation times." Under these circumstances, she says, there are no more than two or three different strains.

Either way, it is impossible to prove that humans could not be infected by BSE. But that will not stop me enjoying steak.

The author is professor of psychology at the University of Nottingham.

Minding Your Own Business

Happy to be making sixpence many times over

Clive Fewins meets a growing props company which hopes to have fun along with success

Chris Dann and Martin Blake still get a sick feeling in their stomachs when they drive past the poster site at the junction of Cromwell Road and Warwick Road, west Kensington, London.

It is known in the advertising industry as the nation's most expensive site of its kind, and it is there that they made their biggest loss.

In 1991, a 20ft high imitation bottle of Martell cognac stood on the site for three months, the product of their 14-strong team of Cricklewood-based prop makers.

Together with the design, transport and erection costs, the project was an £18,000 undertaking. But because the intermediary through whom they received the commission went broke in the middle of the contract, Propshop eventually recouped less than £5,000 of the outlay.

"It was marvellous to be so visible at such a high profile site. Thousands of motorists who drove past must remember the huge bottle, but it could not have been a worse time to lose so much money," said 38-year-old Blake.

"It came in the course of a year when a number of advertising agencies who had regularly employed us to produce props were feeling the recession."

"Total had debts that year were £26,000. By contrast, when we receive the final figures for the year ended in July we expect turnover to have topped £2m - more than twice as much as in 1991.2 - while we know bad debts have totalled just £73."

The 1991 story also had a happy ending. Dann and Blake still made a profit at the end of the year - as they have done in all the nine years Propshop has been trading.

The road to success, however, has been littered with problems.

There was the occasion when the police caught up with Dann on the motorway in Hertfordshire. They pointed out that a faulty back door on his van had meant that three of the four artificial palm trees he was transporting to Harrogate had fallen on the carriage-way between Cricklewood and W4.

On another occasion a float created for Nuclear Electric, to be used in the 1993 Lord Mayor's Show in London, hit a railway bridge in Spi-

tafields on the way to the marshalling point. A four-man rescue squad managed to reinstate the mast and damaged hull of the large wooden mock-up of a yacht the company was sponsoring in a round-the-world race.

"Looking back over the years we have taken on a lot of jobs because of the fun element when we knew they were not going to make a profit," said Dann. 40.

"Nevertheless profits in the past few years have been healthy. Propshop is anticipating a £150,000 pre-tax profit for 1994-95."

It is all a far cry from 1982, when Dann had been made redundant from Ladbrokes Hotels, where he had been involved in promoting

conferences and Blake had trained as a window dresser. The pair took a £30-a-week, 350 sq ft space in a printing works on part of the site they now occupy. Formerly, the site was a horse-drawn bus depot and a ball-bearing factory in Oaklands Road, Cricklewood.

The two worked as self-employed colleagues until August 1986, when they decided to turn Propshop, the name they had unofficially adopted, into a limited company employing the seven painters and carpenters who had been working with them for the previous four years.

Success was swift. Propshop found work as varied as arranging Arabian evenings in hotels in Hampshire to marbling display areas in Selfridges store in Oxford Street, London.

"We took the view - we still do - that it was better to keep our workshop busy and make sixpence many times over than to concentrate on just a few lucrative launches and special events contracts via advertising agencies," said Blake.

Life is more sophisticated and hectic on the northern side. There the road is real tarmac and crowded with motor-cycles, taxis and private cars ferrying Communist party officials and military bigwigs to interminable meetings. Lorries carrying coal, petrol or cabbages drive in endless convoy east and north through the precipitous Tienshan mountains to Urumqi.

Officials describe in glowing terms how the old Eurasian trade route is being recreated

by road and rail to connect distant Rotterdam with almost equally distant Beijing. The provincial capital itself is unrecognisable from the colonial outpost of 10 years ago. Skyscrapers of fantastic design have sprouted up in the centre, the roads are choked with traffic and the pollution is dense enough to rival that of any eastern Chinese metropolis.

But fear lurks beneath the surface of this brass material progress. For outside their enclaves in cities such as Urumqi, the Chinese go in dread of a native population which regards them as a hostile, occupying army.

It is plain to any visitor how the wealth is divided. It is the Chinese who run the large enterprises, fill the government offices and occupy the city flats. It is they who speed about in foreign cars, leaning arrogantly on the horn as they brush past the Uighur traders and peasant farmers on their plodding donkey carts.

Uighurs are permitted to learn their own language at elementary school. But even if

Before the recession in 1991, Propshop had a staff of 15 and a turnover of £850,000. It dipped to £730,000 the following year.

"With advertising agencies producing far less work we realised the value of our diversity of business," said Dann.

"We were thankful things were not a lot worse - we lost two staff - but we also realised things would have been much more healthy had we been able to undertake exhibition work."

The lucky break came in early 1992. "Our neighbour since we started had been a Frenchman who ran a small exhibition company. When he said he was going to sell up and return to France we were in an ideal position to buy the company," said Dann.

The price of the lease, stock and goodwill was £80,000 over two years, which the two managed to fund from profits, plus the aid of a temporary overdraft.

It gave Dann and Blake an immediate entry into the exhibition world, as they also acquired two experienced employees, who are still with them.

It also provided a further 4,500 sq ft of much-needed space. Propshop now occupies all the original print-works as well - a total of 25,000 sq ft - and the full-time team numbers 46, with self-employed freelancers brought in for special projects.

Exhibition work has taken off in the past three years, but it is designing and making props for large stores that has been the fastest-expanding side of the business.

The big success has been with Mothercare, the children's wear chain. From originally being called in to attend to a minor crisis in the decoration at the Watford branch, the company has gone on to make 90 per cent of its props, from giant boots that children can crawl inside to interactive features such as talking trees, moving trains and revolving planets, in 125 UK stores. Overseas the company supplies the props for 57 Mothercare franchises.

Today Mothercare accounts for nearly half of turnover. However Dann and Blake do not believe this disrupts the balance of the company.

"We have budgeted for Mothercare to become less important to us, but with the present shop refurbish-

ment programme and the growth worldwide this does not seem to be happening," said Dann.

"Besides, the trend is towards what we call visual merchandising - the use of lots more props like those we make."

The company also supplies props to Hamleys, Selfridges, Dr Martens

and other high street names.

A healthy cash surplus means that Dann and Blake are negotiating the purchase of their lease, while at the same time they have their eyes on a similar-sized company that offers several services, such as silk screen printing, that Propshop does not provide in-house.

"After nearly 10 years of ups and downs, 1995 has been the year in which it all seems to have come together," said Dann. "Above all, we love doing it."

The Original Propshop, Turpins Yard, Oaklands Road, London NW2 6DJ. Tel: 0181-208 1888.



Christopher Dann (left) and Martin Blake at their north London workshop

Five years on Memorial that survives

In the middle of last year, Harriet Frazer was wondering whether her business, Memorials by Artists, was in its death throes. It would have been a strange irony if it had ceased trading, as Frazer's business, which was first featured in Weekend FT's Minding Your Own Business column in October 1990, is built on the inevitability of death.

Memorials by Artists is a nationwide service which puts the bereaved in touch with a network of designer-carvers who make individual memorials in native natural stone. Frazer started it six years ago, after she had recovered from the death of her step-daughter at the age of 26 in 1985.

"It has undoubtedly proved a need. The problem has always been reconciling a very labour-intensive and personal service, trying to interpret the needs of the bereaved, with making realistic charges," said Frazer, 53.

Nevertheless she has managed to cover her costs and make a small profit.

After an unexplained dip in the volume of business in the first half of 1995, the volume of work has increased and Frazer is heading for a profit of £12,500 on a turnover of £260,000 at her year end on December 31.

"It is a slender figure for all the work involved, but it is still far better than many previous years," Frazer said. "The important thing is not so much that it is contributing to the family income - my husband is a self-employed writer so things are sometimes quite tight - but that I am meeting a genuine need."

"My accountant tells me that in order to achieve more realistic profits I shall eventually have to charge more, but I am trying to counter this by broadening my business base to offer sculpture and architectural lettering in addition to memorials, by the 80 artists on my books. I also intend to offer a new service helping people through churchyard negotiations. It is a very difficult business to run because it is full of unknowns, but it is now well established and I am sure it is going to be all right."

Memorials by Artists. Snape Priory, Scauntham, Suffolk IP17 1SA. Tel: 01728-688394. A booklet explaining the service costs £5, post free.

Continued from Page 1

southern oases where Uighurs are still greatly in the majority.

Their oasis towns are linked by a rough and lonely road severed every few dozen metres by floodwater channels and lit only for trucks, jeeps or donkey carts. On this ancient route, part of the Silk Road which joined imperial Xian to imperial Rome, whole caravans of camels and pack animals used to disappear in the desert storms. Conditions are still bad: dust as fine as talcum powder hangs in the air like a fog, reducing visibility to a few yards. And when the wind blows off the mountains life grinds to a halt.

These southern towns are already feeling the cultural impact of modern China. In Ruojiang (ancient Charkilik) I found a bright new bus station built in the gaudy architectural style currently in favour, and nearby a camel stable which had been converted into a lock-up garage. Westerners

are rarely seen here; when they are, they are mistaken for Pakistani traders who come over the Karakorum pass to buy Uighur carpets, costumes and other artefacts for sale to the busy tourist trade on the other side of the mountains.

Like the cowboy towns of the old American west, the modern world in Xinjiang is only one brick thick. Town centres have been given a Chinese veneer - white bathroom tiles and tinted glass in stocking colours are popular - and the rows of mudbrick shops and dwellings are being replaced.

Life is more sophisticated and hectic on the northern side. There the road is real tarmac and crowded with motor-cycles, taxis and private cars ferrying Communist party officials and military bigwigs to interminable meetings. Lorries carrying coal, petrol or cabbages drive in endless convoy east and north through the precipitous Tienshan mountains to Urumqi.

Officials describe in glowing terms how the old Eurasian trade route is being recreated

by road and rail to connect distant Rotterdam with almost equally distant Beijing. The provincial capital itself is unrecognisable from the colonial outpost of 10 years ago. Skyscrapers of fantastic design have sprouted up in the centre, the roads are choked with traffic and the pollution is dense enough to rival that of any eastern Chinese metropolis.

But fear lurks beneath the surface of this brass material progress. For outside their enclaves in cities such as Urumqi, the Chinese go in dread of a native population which regards them as a hostile, occupying army.

It is plain to any visitor how the wealth is divided. It is the Chinese who run the large enterprises, fill the government offices and occupy the city flats. It is they who speed about in foreign cars, leaning arrogantly on the horn as they brush past the Uighur traders and peasant farmers on their plodding donkey carts.

Uighurs are permitted to learn their own language at elementary school. But even if

they acquire fluency in Chinese that it usually not enough to overcome the racial obstacle to promotion or well-paid government jobs, according to a Beijing-educated graduate who has chosen voluntary exile. Some city parents try to compensate by sending their children to Chinese schools.

Uighur couples are also permitted two children under China's one-child policy, but this is no help to a younger generation depressed by lack of opportunities. Drink, drugs and prostitution are now a serious problem among young Uighurs in Urumqi. They are increasingly demoralised, said Dimurat Abbas, whose family left for Australia some years ago. "When we left our friends said we were crazy," he added. "Now they want to get out too. Even my cousin, who has a job in a bank, wants to leave."

Racial tensions have increased as the economy prospers. Before anniversary celebrations in the capital in October, precautions were taken against "minority groups", which the Chinese routinely

accuse of "threatening the unity of the motherland". Political demonstrations in Xinjiang are rarely reported in the Chinese press, and almost never in the west. But there is anecdotal evidence of recent incidents in Kashgar, Khotan and Kucha.

One of the most serious documented uprisings occurred five years ago in the village of Baren, near Kashgar. Police troops and helicopter gunships were sent in to quieten about 2,000 villagers protesting over the closure of a local mosque. According to Amnesty International, up to 50 people may have been shot by security forces and hundreds arrested

all over the province. The human rights organisation complained in its 1992 report of "a pattern of violations" in Xinjiang following the 1989 Tiananmen Square massacre.

Although under Chinese control for most of the past 500 years, Xinjiang was not colonised by the Chinese until after the Communist takeover in 1949. At that time the Communists disarmed large numbers of Nationalist troops stationed in the province and put them into camps to become what is today known as the Xinjiang Production and Construction Corps, a quasi-military labour force numbering more than 2.2m, according to Harry Wu, the Chinese-American human rights campaigner who spent 19 years in the camps for "wrong thinking".

From the late 1950s, thousands of convicts, political detainees and families labelled as counter-revolutionaries were brought from the east and forcibly settled in the province, an internal exile from which there is still usually no return. As a result, the

number of Han Chinese in the province's population of 15m rose from an estimated 3 per cent in 1947 to 38 per cent today - more if the army is included.

So numerous are the prison camps and ex-prisoner settlements in this part of China that the authorities will find it difficult to conceal them from western eyes. I was driven right through two camps - sprawling settlements of concrete barracks, churned mud and scraggy cultivation - that happened to lie across our 2,500km desert route, and even found an opportunity to talk to a donkey driver who confirmed he was an ex-prisoner.

The labour camps, or *laogai*, are attracting high level scrutiny, too. The World Bank last month announced the results of an investigation into claims by Harry Wu that an irrigation project it was financing in the western Tarim Basin would benefit camps in the area and encourage the use of forced labour. The bank denied the money was being misappropriated and said it would benefit

"half a million very poor people", most of them Uighurs. As the western wilderness opens up, Chinese immigration into Xinjiang is more likely to be voluntary than forced. Opportunists are moving in to pursue the lure of oil, coal, cotton and gold. Western backpackers are becoming a common sight in Kashgar and along the northern road. There is even talk of a theme park at Loulan on the eastern edge of the desert, with museum and chalets to overlook the remains of the 4,000-year-old Buddhist settlement excavated early this century.

Like others of its kind, the scheme is aimed mainly at the Japanese, increasingly enthusiastic travellers to the region. It is not yet clear how the authorities will overcome the obvious drawback. Loulan is in the Lop desert, close to the nuclear testing ground.

Serious or not, the venture perfectly illustrates the dilemma of the Chinese leadership as it opens Xinjiang Province to the world. Driven by a thirst for oil and a hunger for tourist dollars, they can no longer afford to keep secret their western wilderness - nor the political and judicial regime they are enforcing there.

The red flag in China's wild west

The Chinese authorities will find it difficult to conceal the camps from western eyes

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Chess No.1108: 1 Qd2 (threat 2 N3) Nc4 2 Qc2, or Nf1 2 Qd2, or Kc5 2 Nc7, or Nd5+ 2 Nc5, or c5 2 Nd4, or Nd2 2 Nc2.

PERSPECTIVES



Crippling legacy: one in every 246 Cambodians is a mine victim, and between five and 10 people are injured every day

The 'perfect defensive soldiers' who refuse to stop killing

Landmines blight every country that has recently had a civil war, reports Ted Bardacke from Cambodia

Tic Chi Sok lies face down in the mud trying to prevent the fear from coming back. The last time a member of her family was in a minefield, an explosion widowed her, at the age of 28, with two small children.

Prodding gently at the ground with a small trowel she digs up a piece of shrapnel. False alarm.

Her companion, 29-year-old Man Rin Na, dressed in fatigues and combat boots and armed with a high-powered metal detector, returns to the area. Man Rin Na's husband also died when he stepped on a landmine, leaving her with three children and no means of support. Now, methodically probing for fragments of metal as small as the tip of a ballpoint pen, she searches for one of the 9m mines buried across Cambodia.

Members of an all-widow demining team trained and employed by the United Kingdom's Mines Advisory Group, the two women have a lot of work to do. Twenty years of war have left nearly 2 per cent of Cambodia's territory covered with landmines.

The most common method for discovering a new minefield is when someone, often a farmer tending a rice field, steps on a landmine and becomes another grim statistic: one in every 246 Cambodians is a mine victim, five to 10 people a day are injured by mines, three-fifths of them civilians.

At current rates of clearance the Cambodian government estimates that it will take at least 100 years to rid the country of them - if the Khmer Rouge were to stop laying new mines, that is.

Hope that more Cambodians could be avoided were dashed when a UN conference in Vienna to revise the landmines protocol, suspended

deliberations with no conclusion in October after three weeks of meetings.

The conference, aimed utopianly at banning landmines - as called for by the UN secretary general and the International Committee of the Red Cross - but realistically at tightening control over their use, will reconvene this month in Geneva. No breakthroughs are expected.

Without new restrictions, the world's landmine problem will get worse. In 1994, 100,000 landmines were cleared at a cost of between \$300 (2195) and \$1,000 each. At the same time between 2m and 5m new mines were laid, according to the UN, at a cost of about \$3 each.

Every country that has recently had a civil war - Afghanistan and Angola, Nicaragua and Somalia - is suffering. Landmines will go on killing civilians in former Yugoslavia long after the shooting ends. Cambodia faces an idea of the problems likely to face the Balkans.

Nearly 400,000 Cambodian refugees living along the Thai border were evicted back home in 1992 by promises of grants of enough land to feed their families. The UN based this offer on aerial surveys of uninhabited and uncultivated land in Cambodia.

But much of the promised land turned out to be worthless, riddled with landmines, and that promise has been kept for only 8 per cent of the returning refugees. Instead, the returnees were given a small cash handout and enough rice for a year. Many became refugees in their own country.

In some villages minefields begin just 15 metres from houses. Plans to build new clinics and schools had to be abandoned or postponed when it was discovered that the land to be used was a minefield.

Mines can shift after heavy rains and floods, so farmers often risk losing a limb or worse at harvest time after having planted in an apparently safe area.

Plans to develop some remote areas as destinations for ecotourism have been hampered by fears of undiscovered minefields around abandoned temples.

"This is very dangerous work but I need the job. I'm the only one left to support my family," says Tic Chi Sok, knowing that a wrong move could cause a mine to blow up in her face. "I left my children with

pressure, offered technology as a solution. They supported a smart mine proposal that would require mines used in unmarked and unmonitored areas to have a self-destruct mechanism or a limited active life.

This position has been attacked from both sides. China and India object to the cost involved in upgrading their mine stocks, while proponents of a ban say such mines are almost as bad as conventional mines: while active they still kill and maim indiscriminately, and a 5 to 10 per cent failure rate in the self-destruct mechanism is common (it has been even higher for mines laid during the Gulf War). Back-up mechanisms are expected to have a failure rate of 15 per cent.

There are also worries that incorporating self-destruct mechanisms would legitimise further use of these weapons, and most smart mines, designed to be scattered by the thousand with little precision, are a threat to civilians and livestock when the mines self-destruct.

When the conference reconvenes these issues will still be on the table and may not be resolved until the next review of the landmines protocol - if there is one, that is. While most countries appear to support reviews of the protocol every five or 10 years, the US is resisting, afraid that such reviews will lead to other weapons, such as lasers which can be used to blind, coming under attack. And many countries are reluctant to address the underlying issue of the damage inflicted over the full life cycle of a weapon, because of possible repercussions on a wide variety of other conventional weapons.

Tic Chi Sok and Man Rin Na know all about life cycles. "We are not happy when we clear the mines," says Man Rin Na, "and someone just lays a new one."

In 1994, 100,000 mines were cleared worldwide, and between 2m and 5m new mines were laid

their grandmother and told them not to go outside and play until it can come back and clear the mines near our house."

Tic Chi Sok's problem seems far removed from the discussions in Vienna, where participants say the military utility of landmines took centre stage.

Mines are the perfect defensive soldier. They are on alert 24-hours a day, require no supplies and their mere threat can protect a small force from a much larger one. Many landmines are designed to maim rather than kill, a tactic used to overwhelm the enemy's medical and reinforcement capabilities.

But they violate one of the basic moral principles of modern conven-

An explosion of style in a sacred grove

Paul Adams meets an Austrian artist who has revived local culture in Nigeria

When Susanne Wenger came to Nigeria from Austria 45 years ago it changed not only her life but also the life and culture of the town of Osogbo where she has helped to revive the traditions of the Yoruba people.

By mixing European art with local crafts and beliefs she founded the New Sacred Art, which has brought the artists fame far beyond Osogbo and earned her the gold medal for art and literature from the Austrian government. In the process, Wenger has ensured that Osogbo's holy groves and shrines will survive, for her own lifetime at least.

Born 80 years ago, Wenger was a prominent artist and founder of the Art Club in Vienna after the second world war before, by chance, she discovered her life's work in Nigeria.

"I didn't know Nigeria existed. I was in Paris and met Ulli Beier (a teacher from Germany). As one easily gets friendly in Paris, we got friendly," she recalls in a small unit room next to her studio.

"He was appointed a lecturer at University College in Ibadan, then affiliated to the University of London, but on one condition - that he got married."

She agreed to marry him and they spent the next two years in the sprawling Yoruba city of Ibadan, then the biggest city in Africa, where Beier helped to set up the adult education department. In Ibadan she quickly made friends with some traditional priests.

"When I got to Nigeria, I knew my arrival was serious. I had to be involved," she says. "I found there was an archaic culture, as I had found in Austria. I have always had the strongest experiences in archaic cultures."

The couple moved to Osogbo. They parted - although they remained friends - and both later remarried. Her second husband was a native of Osogbo.

He is now dead and she shares her house with a dozen or so of the extended family she has adopted over the years.

The house is a narrow three-storey Portuguese style building with no electricity but plenty of heat and mosquitoes. A huge bougainvillea grows up to the top floor where Wenger works and sleeps. A bewildering array of art and artefacts - pottery, sculpture, brass ornaments and jewellery, and colourful batik - jostle for position with stately shaped furniture in the dark rooms or on the balcony where women cook overlooking a sea of rusty corrugated iron roofs and red dirt roads.

Already initiated into the Yoruba religion when she arrived in Osogbo, Wenger became one of the orisa, or priests. One of their holy places is a grove by the river Osun, a broad sweep of water which runs through tall tropical forest. Here the New Sacred Artists have created spectacular sculptures - some 20ft tall - depicting the Yoruba gods in part-human, part-animal form.

The work began when she encouraged the religious devotees to express their beliefs through art. They had absolutely no formal training, but some were descended from artisans.

"I rebuilt a shrine we needed for our ceremonies. To raise the money I sold some batiks I had made to the museum in Rhodesia (now Zimbabwe). After repairing the Osun shrine, I got some of our people to do pictures on the cement wall and I engraved them. The artists and I came together through ritual. They did on their own what I had hoped they would do."

Did they adapt their traditional crafts to modern art?

"They had no thought about it. They just exploded with their own style."

That explosion created art which is known in galleries in Europe, America and Japan. "We started using starch to make the batik

and even the local chiefs who planned to sell it for building land.

After a long struggle, former military ruler Ibrahim Babangida, not a noted conservationist, was persuaded to sign a decree preserving the grove. Now the only invasion occurs each July when thousands of tourists converge on Osogbo for the Osun festival. Most are black Americans and Brazilians trying to trace their culture. Many of the slaves sent to Brazil were Yorubas and their descendants still have a form of the religion and language.

"Without Susanne Wenger, the groves would not have survived," says Sango Dare, one of the leading Osogbo artists. "There is a passage in our Ila scripture about an outsider who points out the error of our ways. We needed her," he says.

Does it not sadden Wenger that it took a European to preserve the Yoruba culture?

"Yes but you have to accept it," she says. "Something that looks bad can also be good."

She blames Christianity and Islam for nearly destroying the local culture.

"The threat to traditionalism is not the motor cars, it is the education. They created the wrong kind of schools here. The missionaries were ignorant of the local culture and treated it stupidly."

Her work has brought international recognition and a British archaeologist is trying to include the Osun grove in a proposed world heritage site in Nigeria, but John Adeleke believes that unless Nigerians make an effort her movement will not survive. He plans to set up a Susanne Wenger Foundation to help preserve the grove and her house and to encourage research into the orisa culture.

"The truth is that without Susanne there would be no Osun grove today," says Adeleke. "There would be a narrow stretch of river bank where the Osun maidens could go once a year during the festival, surrounded by houses and flats. Osogbo would be like all the other old Yoruba towns where there once were groves for the sacred shrines which no longer exist."

'The artists and I came together through ritual. They did on their own what I had hoped they would do'

Encounters

You never know when you might need a wailer

In Portugal, no occasion is complete without a professional to lead the wailing, discovers Christina Lamb

I met a woman recently who wails for a living. At first I thought my Portuguese must have let me down again and I had misunderstood. The word she had used was *carropeira* - something to do with carp fishing, I thought, though it seemed an unlikely specialism in one of Portugal's most arid regions. Besides, her behind was so voluminous I found it hard to imagine how she would retain her balance on a riverbank.

Then she opened her mouth to demonstrate. What came out of this small middle-aged woman with the neat bun of hair and the big backside was not a moan or a cry but truly a wail, a long shuddering wall of such epic proportions that it had the dogs howling for miles around

and sent grown men and women scurrying for cover.

When I had recovered, she presented me with a business card. Maria Teixeira, Professional Wailer, it said in flowery italics. I have come across some strange professions in my time but this was a new one on me. "Excuse my ignorance," I said, "but why would anyone need a wailer?"

"You never know when you might need a wailer," she replied, reminding me of the man dressed as Elvis I had met long ago on Sunset Boulevard. He posed for a photo with me then pressed a card into my hand with Eddie Powers As

Elvis on it. "You never know when you might need an Elvis," he said. I can honestly say I have been in some tough situations when a Harrison Ford might have come in handy. But an Elvis? Never.

Meeting an Elvis impersonator is the sort of thing you expect to happen in Los Angeles. You would want your money back otherwise. But Portugal is a more sober place and I found it hard to imagine any circumstance in which a wailer might save the day.

"I do weddings, funerals, graduations," explained Teixeira. "Anything where a wail or two might add some authenticity. Usually I find after the first few wails those

gathered take over." Seeing my continuing bafflement, she added: "Think of the shame of an occasion - she pronounced the word with special reverence - "with no wailing."

It turns out that just as English towns and villages used to have town criers, in Portugal they have wailers. "It's an honour to be the town wailer," stressed Teixeira, who comes from one of those white-washed and cobble-streeted villages that the Portuguese do so well. As usual with these towns, hers has a story attached. It was given by a king to his queen after his forces successfully stormed the castle disguised as cherry trees. And I

thought the British had invented Monty Python humour.

Teixeira's wailing career began at an early age when it was discovered she had a particularly strident cry. Her mother was the family black sheep, having come from a long line of wailers and failed to make the grade herself, being unfortunately endowed with a squeaky voicebox which no amount of cod liver oil and tobacco smoke could deepen. Condemned to a life of taking in laundry, she was overjoyed when Maria came into the world with a deep, throaty and unmistakable wail. To encourage its development she took to locking Maria in cupboards or losing her in forests, fur-

ing her to wail for attention.

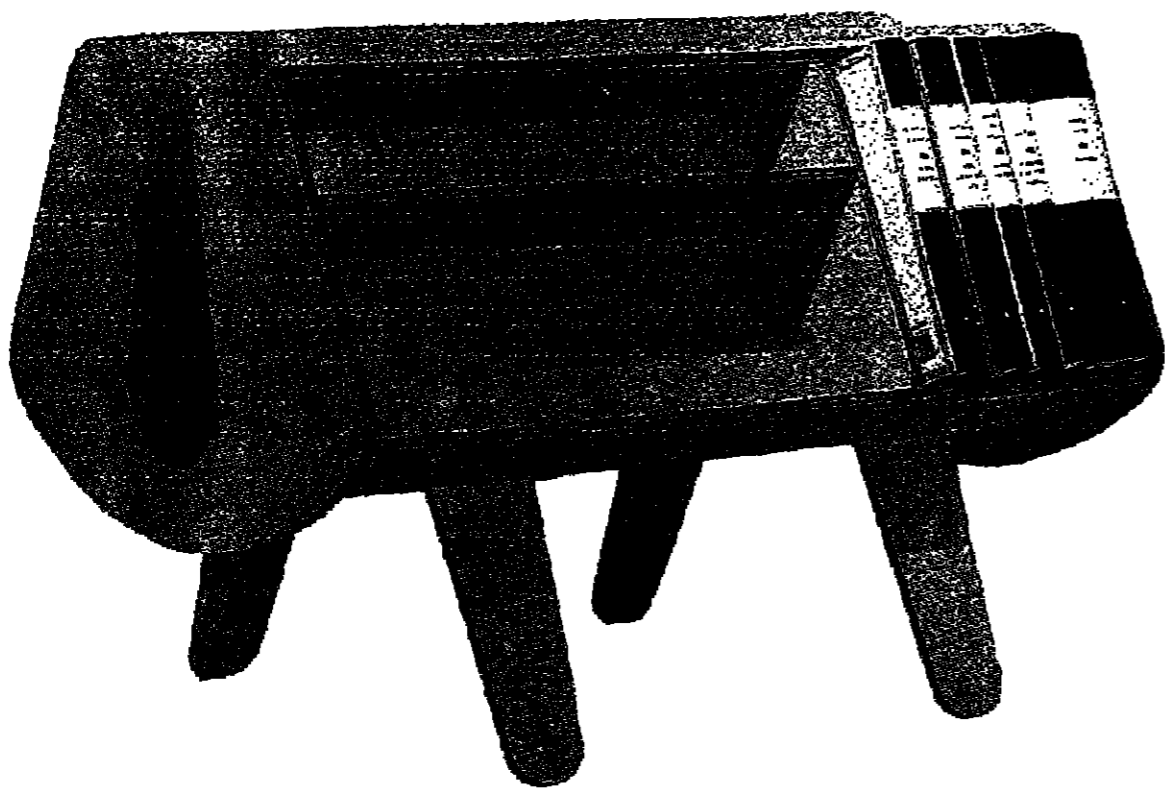
But there is more to it than just the quality of wail, Teixeira was anxious to point out. Wailers need to be able to blend in with gathering so that it is not immediately obvious who is emitting the wail. "We wailers are performers, actresses, just as much as your Hollywood stars. I modify my wail according to the occasion." I felt honoured to be in the presence of the Emma Thompson of the wailing world. I risked my eardrums with one last demonstration and took my leave.

Because of its place in modern Europe and its holiday resorts with "real British breakfasts" and "tea

like mother makes", it is easy to forget how traditional Portugal still is. But behind the medieval walls of its villages, you discover a different world where women yearn to be wailers and donkeys are the main mode of transport. And, while many young people have left the countryside for the city, they have not forgotten the old ways.

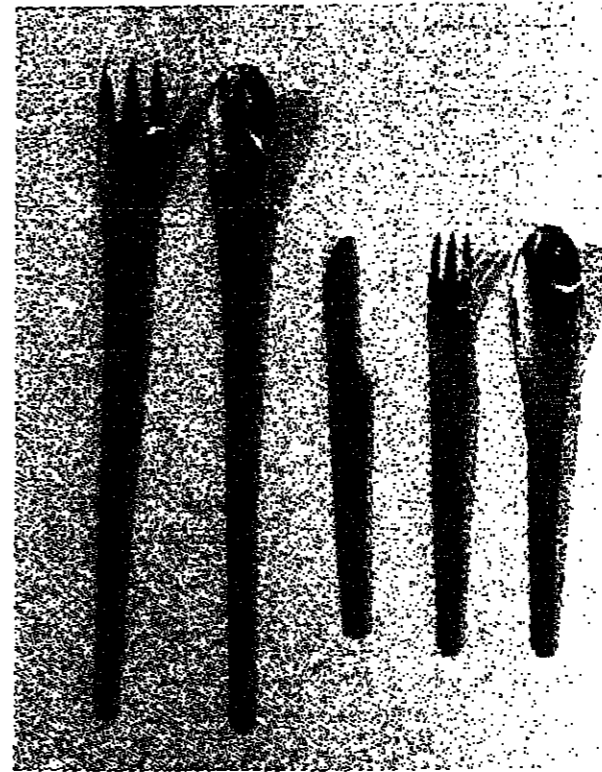
Indeed, they are blending the modern and traditional. Teixeira's daughter, who has moved from the village to Lisbon, is thinking of starting wailing classes for stressed executives. "It is a great way of letting out tension," she explained as I wished her daughter luck in finding a sufficiently soundproof room. Next time I need a wailer, I know where to go.

HOW TO SPEND IT



The Donkey

These days, talented British designers tend to work for non-British companies. Isokon, a London furniture company, achieved the opposite in the 1930s by hiring the emigré modernists who had fled from the Nazis to pre-war Britain. Jack Pritchard, its owner, was a modernist and a close friend of Walter Gropius, founder of the Bauhaus. He commissioned plywood pieces from Marcel Breuer, one of the Bauhaus teachers, and smaller objects from the Austrian designer, Egon Fliss. One of Isokon's most appealing products is the Penguin Donkey, designed in 1933. It is a literary pleasure pod that can be used to stash away magazines, books, techno toys and whatever food or drink you choose to go with them. Available in birchwood for £276 from Windmill Furniture, Turnham Green Terrace Mews, London W4 1QU. Tel: 0181-994 7032.



Eating irons

When Stanley Kubrick filmed his futurist fantasy, 2001: A Space Odyssey, in 1968 he commissioned all the props from designers. They were told to create objects that looked as though they belonged to the future, such as the chairs dreamt up by Olivier Mourgue, the French furniture maker. But when it came to choosing cutlery, Kubrick decided on these abstract silvers of stainless steel which were designed 11 years before by Arne Jacobsen, the Danish modernist. The cutlery, like almost all Jacobsen's designs is contemporary yet effortlessly elegant. It looked enticingly futuristic in Stanley Kubrick's 1960s spaceship and, nearly 30 years later, it still seems fresh and exciting. A place setting costs £80 from Georg Jensen, 15 New Bond Street, London W1X 3DB. 0171-499 8541.

What I bought on a £27,000 spending spree

Alice Rawsthorn was given the opportunity to spend someone else's money on objects that she would like to live with. This is what she did...

I cannot pretend that I hesitated to say "yes", when I was asked to spend £27,000 of someone else's money on anything - or almost anything - I liked.

My spending spree started when Sir Terence Conran invited me to be the curator of this year's Conran Foundation Collection. Each year the foundation, a charity founded by Sir Terence to raise awareness of design, invites someone to spend a fixed sum on a collection of objects to be exhibited at the Design Museum in London before being sealed in the Conran archives.

The only criterion was that everything I chose had to be "things I would like to live with" which were "in current production". This ruled out blowing the budget on a bespoke John Galiano ballgown, or bidding for one of Joe Colombo's funky 1960s living systems at a 20th century furniture sale.

My choice was complicated by the fact that each object would go on public display. This meant that it would have been pointless to treat myself (or the Conran Foundation) to the most chic clothes of the season, or a series of charmingly idiosyncratic chairs. Instead, I decided that everything I chose must conform to the classic design criteria of looking beautiful and fulfilling its function, but should also show that lateral thinking had been applied to its design either in terms of the concept, the production process, or the way the product responded to changes in the way we live.

I also made things easier for myself by asking Marc Newson, the Australian designer behind Coast, the restaurant on London's Albermarle Street, to design the exhibition. If nothing else, at least I knew it would look wonderful. Some objects were easy to choose. The collection offered an opportunity to splash out on contemporary design. The work of Jasper Morrison, who was curator of last year's Conran Foundation Collection, has always appealed to me as the epitome of modern elegance. I snapped up one of his opulent *chaises longues* and a deceptively simple ply chair.

I also chose one of the futuristic plastic Gello tables designed by Marc Newson for 3 Suisses, the French mail order catalogue, and a mirror-mentor, or "hug mirror", a perfectly plain square of hand-beaten glass designed by Catherine Levy and Sigolène Prébois, who work together as Tse & Tse in Paris.

The collection was a chance to acquire some of my favourite design classics: one of Marcel Breuer's 1936 plywood nesting tables and the abstract fibreglass chaise that Charles

and Ray Eames designed in 1946 for a competition at the Museum of Modern Art in New York. I also treated myself to Arne Jacobsen's ascetically elegant 1960s stainless steel cocktail kit and to his 1957 cutlery which the film director, Stanley Kubrick, later used as props in 2001: A Space Odyssey.

The best examples of design lateral thinking were in the computing field. The Clipper CS-1, a mobile computer workstation that I spotted in Wired magazine, is an imaginative way of enabling people to work in privacy in open-plan spaces. Microsoft's wavy Natural Keyboard is the product of three years' research to find the best lay-out of computer keys.

My most extravagant purchase was the Gyo-an, one of a series of three collapsible tea houses designed by Shigeru Uchida, a Tokyo architect, for an exhibition in Milan last spring. The Gyo-an, an elaborate structure of latticed bamboo modelled on a traditional Zen tea house, is an exquisite object but costs £12,000.

To atone for that, I added some cheap items: a £1.95 pack of polypropylene clothes pegs from Muji in Tokyo, the 8th edition of Sigmund Freud's lectures in Penguin's 60s Series and the crushable Evian water bottles which take up a quarter of the space of conventional bottles in landfills.

Then there were clothes. I plumped for one of Tom Ford's chain belts for Gucci, a blend of easy American elegance and Italian craftsmanship, and for Helmut Lang's uncompromisingly modern satinised shift dress and metallic tank-top.

There were also a couple of examples of advances in textile technology: Rei Kawakubo's chemical nylon tulle lace slip for Comme des Garçons and a 1960s-style Prada jacket made from a crushproof mix of nylon, polyester and spandex.

There were some constraints on my spending. Some of my favourite classic designs by Joe Colombo and Carlo Mollino are out of production and, even with £27,000, some things were just too expensive.

I had planned to treat myself to some of the exquisite, but incredibly expensive glassware that Carlo Scarpa designed for Venini in the 1940s and 1950s. And after a quick flick through the Venini catalogue, I fell helplessly in love with a Scarpa dish, *Il Serpente*.

It was gorgeous but the price of £4,300 seemed high even to a woman who had just spent £12,000 on a collapsible tea house. And, after *Il Serpente*, none of the other Venini pieces seemed as covetable.

The Conran Foundation Collection exhibition is at the Design Museum, Shad Thames, London SE1 2YD until April 28.



The Dyson Dual Cyclone - stylish and new tech

When James Dyson asked the City for capital to put his vacuum cleaner designs into production four years ago, the answer was "no". He funded the project himself

and has since created 300 jobs and bagged a £33m Japanese export order. The Dual Cyclone's success proves that consumers do respond to innovative

products mixing imaginative styling with new technology, in this case a cleaning system so powerful that it picks up the smallest specks of dust and grit. One visitor

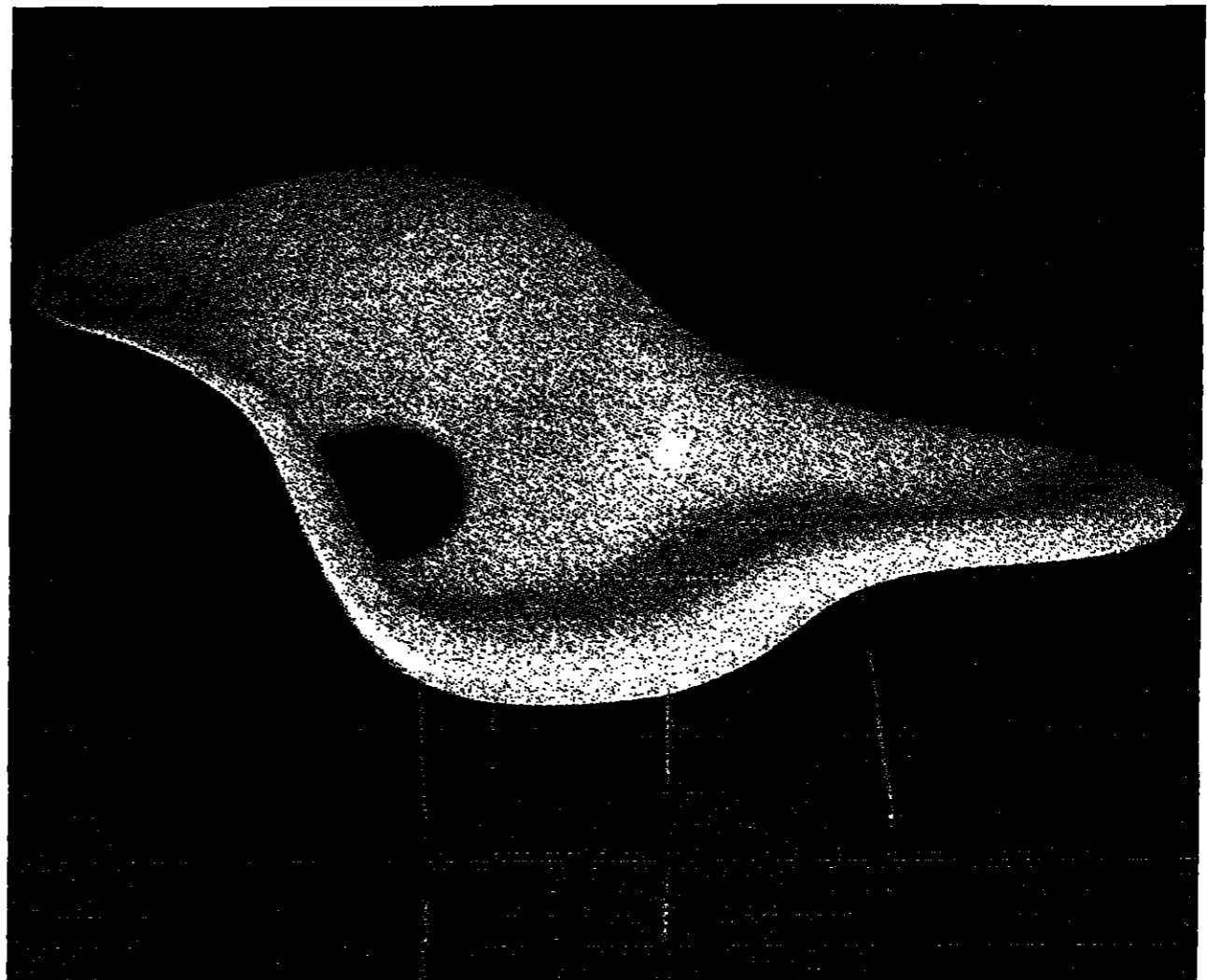
to my house said: "Wow! What a great machine." From department and electrical stores for £199. Dyson Appliances: 01666-827200



Prada's pants suit

One of the best things about Miuccia Prada's fashion is her knack of repackaging the past in a completely contemporary way. This pants suit looks like one that an icy hip Julie

Christie might have worn in *Darling*, but it is made from a combination of materials. Price £500 from Prada, 44-45 Sloane Street, London SW1X 9LU. 0171-235 0008.



Glorious piece of period design from Eames

The Eames Chaise is a glorious piece of period design. Its abstract fibreglass form could only come from the late 1940s, but is so perfectly

proportioned that it looks exquisite in any era. The only hitch is the price. Charles and Ray Eames designed it in 1946 as their entry for the Low Cost Furniture

Competition at the Museum of Modern Art in New York. They hoped to sell it for \$50, but the chaise never went into mass production. It is now made at Vitra's

state-of-the-art furniture factory in Germany and costs £2,393. From Vitra, 13 Grosvenor Street, London W1X 9FB. 0171-408 1122.

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FASHION

The year the anorak came in from the cold

Skiwear is the fashion 'must' of the moment, whether you are holidaying in Gstaad or shopping in the local high street, says Karen Wheeler

If it looks good on the ski slopes, the chances are that this winter it will look even better on the city streets. Designers have taken skiwear as their latest inspiration and the result is sporty, modern clothing that is both practical and a joy to wear - even by those who cannot tell a snow-plough from a tractor.

Many of the styles, such as Donna Karan's high-tech, metallic parka, could easily withstand the rigours of Aspen, Verbier or Gstaad but would also look dashing and up-to-the-minute on the high street.

Others simply draw on the best elements of skiwear - the sleek minimalism, futuristic fabrics, zipper fastenings, curvy jackets and stretch pants - and placed them in the setting of a metropolis rather than a mountain resort.

These are the sort of outdoor clothes that will brighten even the gloomiest, coldest January. Ideal for chic weekend dressing, warm quilted anoraks, futuristic parkas and Puffa-style jackets in neon bright colours can be thrown over everything from leggings to a shift dress.

"I love the fact that these clothes are warm and user-friendly and will work in so many diverse ways," says Donna Karan.

"I wear ski jackets thrown over cashmere dresses for the office, with leggings or ski pants for the weekend and I've even worn a ski parka with a fake fur collar to a black-tie dinner."

It is a sentiment echoed by Ralph Lauren, whose advertising campaign for Polo Sport features a man dressed in formal black tie with a silver ski

parka over the top.

Fellow American Michael Kors admitted to designing much of his collection around the image of Audrey Hepburn on the ski slopes at the start of the film *Charade*.

Perhaps it is not surprising that American designers are captivated by the ski-look. After all, they are renowned for their practical approach to fashion and they love clothes that suggest dynamism. Even if you are just in the park with the children or dashing to the shops, a ski anorak suggests a certain athleticism.

Being fit is akin to being fashionable. The emphasis on skiwear reflects the impact of sport generally, says designer Sam de Teran. "Fashion has been influenced by riding and tennis clothing in recent seasons - now it's the turn of skiing."

Teran makes real skiwear but roughly half the customers at her shop in Fulham, south west London, are buying her spare, zip-up jackets in futuristic white or ice blue to wear as fashion items.

"They wear them in the same way as they would a leather jacket - with jeans or leggings. And because I use high-tech fabrics they have the advantages that they are warm, windproof and water-resistant," she says. The trend for synthetic fabrics, particularly nylon, has helped make the ski-inspired look chic. Designers are increasingly fascinated by high performance fabrics.

Miuuccia Prada, who led fashion's high-tech revolution over a year ago, and whose curvy, white quilted jacket became a seminal piece this season, is credited with influencing the avalanche of ski-inspired styles

available on the high street.

White quilted tunic dresses with zippers, quilted A-line skirts and matching jackets in silver or turquoise by Karen Millen for example, prove that the ski look lends itself to more than the energetic outdoors.

But it is for cold-weather dressing that the ski-look is most suited. And it is amusing to note that many ski-related items previously considered staid are now considered cutting-edge style.

The humble anorak has cast aside its train-spotter image and leapt to the forefront of fashion. And it is not alone.

The sleeveless, padded jacket, has also been re-invented as a hot fashion item.

A colour palette of neon orange, yellow or blue or futuristic silver and white is the only thing which stands between it and its less hip past.

Colour is a crucial component of the ski-look - and the brighter the better. Hard though it may be to believe, the best selling shade at Esprit's store in London's Sloane Street is orange, closely followed by black.

Cropped Puffa-style jackets and sleeveless padded styles in vivid colours are very popular, says Susie Reece Jones, Esprit's marketing director.

"People of all ages are buying and they are wearing the garments in unusual ways. I've seen our sleeveless orange jacket worn with a long black dress and it looked terrific."

According to Donna Karan, bright colours are a way of asserting your individuality. "Brightly coloured ski jackets are really fun if you wear a lot of black - which most New Yorkers do."

Alternatively she suggests that "silvers and whites look very clean and modern". The DKNY shop in Bond Street, London, is a veritable winter wonderland of colourful ski-inspired clothing. Even if strict tailoring and fashion-pack-black is your thing, there you can find yourself hankering over cobalt blue metallic ski parkas, padded jackets in taxi cab yellow and down-filled jackets in neon orange.

It was Klaus Obermeyer, a Bavarian, who invented the first quilted ski parka in 1930. Forty-five years later, it features in every designer collection from Giorgio Armani to Georges Rech. The irony, of course, is that the ski-look started as a streetwise look with hip youngsters and rap musicians adopting the padded jacket long before Prada et al gave it designer cachet and mainstream appeal.

Fittingly, some of the best versions are available at high street stores. Benetton has chic nylon anoraks and cropped Puffa-style jackets in silver or orange; Marks and Spencer has a classic padded jacket in black; while Warehouse has ski-inspired anoraks in silver and Joseph stocks a sporty, quilted jacket in lipstick red.

For my money however, the best high street buy is French Connection's padded duck-down jacket, at £99, in pale cream, citrus, lavender and black.

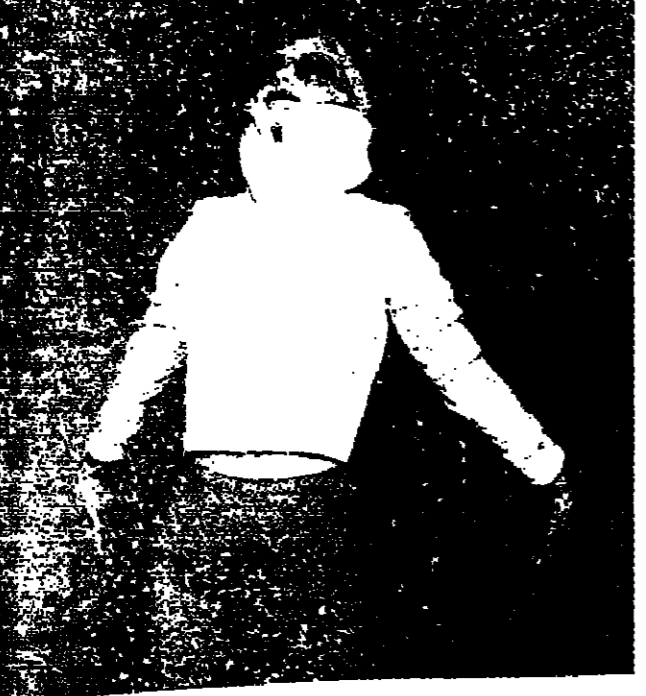
To comply with the demands of minimalism, a drawstring is cleverly concealed on the inside so that it can be cinched in at the waist for a leaner, body-conscious effect. A high collar and hidden zip add to the feeling of modernity.

Even bag designer Bill Amberg has paid homage to the ski slopes with a Puffa-style rucksack or shopper bag in orange or white leather. Provided that go-faster stripes, patterns and embellishments are avoided, this is one trend which looks good on just about everyone.

Sleek, modern and the ultimate in feel-good clothing, this season skiwear is as much at home in a chic urban bar as it is schussing down the slopes of St Moritz.



Cobalt blue metallic ski jacket, £375, and white fleece zip-up top, £195, by DKNY, 27 Old Bond Street, London W1. (0171-489 8089). White leggings with satin stripe £80 by Red or Dead (0171-837 3137). White patent boots £79.99 to order from Hobbes (0171-586 5555)



■ Above: orange nylon quilted jacket, £26, from Benetton (stockist inquiries: 0171-731 4569). Orange boucle top, £78, by MaxMara, 32 Sloane Street, London SW1 (0171-235 7041). White ski leggings, £105, by DKNY, 27 Old Bond Street, London W1. Ankle boots, £125, from selected branches of Russell and Bromley (0171-829 6003).

■ Left: white zip-up jacket, £210, by Sam de Teran, 151 Fulham Road (0171-584 0902). Orange ski pants, £143, by MaxMara.

■ Right: silver quilted jacket, £180, by Karen Millen, 335 Kings Road, London SW3 (stockist inquiries: 01622-984032). White fleece top, £195, and white ski pants, £105, by DKNY. Silver boots, £79.99, from Hobbes. Sunglasses, £75, by Cutler and Gross, 16 Knightsbridge Green, SW1 (0171-581 2250).

■ Far right: yellow quilted coat, £263, top £78, pants, £143 and hat all by MaxMara.



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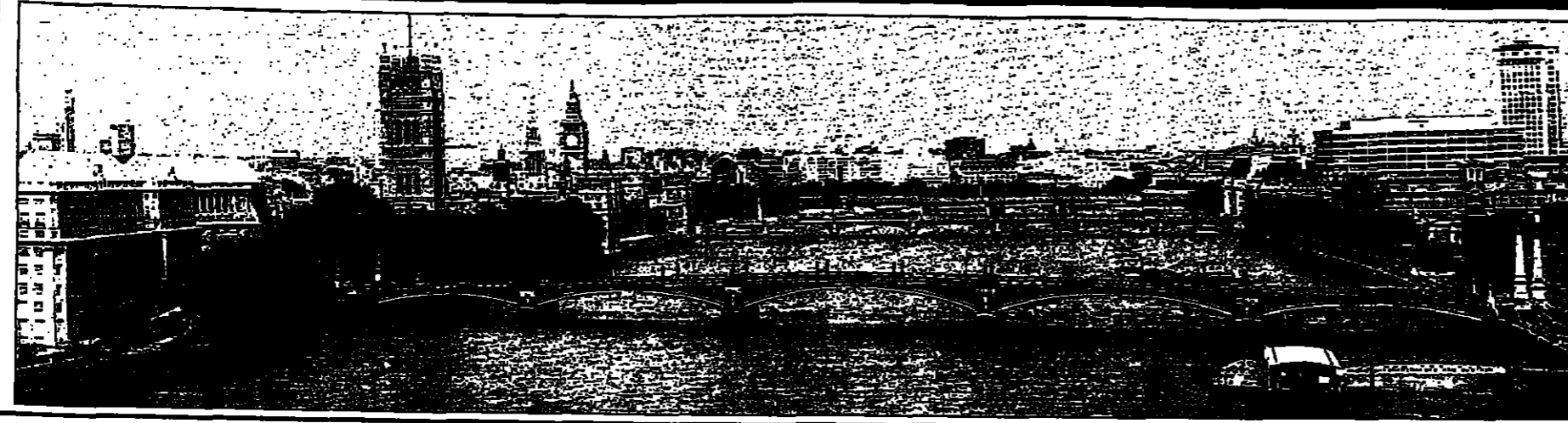
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BOOKS

On blacks' inhumanity to blacks

An impressive man: Michael Thompson-Noel on Ken Saro-Wiwa's writings from prison

When Ken Saro-Wiwa, the writer and campaigner who tried to win justice for the horrendously persecuted Ogoni people of Nigeria...

River delta. Before the advent of British colonialism, they had been proud, prosperous and unquerred.

any of Nigeria's federal institutions; no pipe-borne water; no electricity; no jobs in federal, state, or public or private sector companies - nothing.

A MONTH AND A DAY by Ken Saro-Wiwa Penguin Books £5.99, 238 pages

food shortages. What Nigeria's rulers have inflicted on them, says Saro-Wiwa in this book, is nothing short of "slow genocide".

involved, and was loathed profoundly by Saro-Wiwa - but those who run what Saro-Wiwa called the modern slave-state of Nigeria, the "indigenous colonisers": those who capitalised on the inertness of the masses and on the greed of the elite...

acted because of "the black man's inhumanity to his own kind, the trait responsible for the retardation of all blacks."

A Month and a Day covers his penultimate period of detention in 1993, and includes a full account of the Ogoni's struggle. In an introduction William Boyd, the writer who was a good friend of Saro-Wiwa's, says that from time to time Saro-Wiwa managed to smuggle letters out of prison.

Brave woman of some importance

Even without Kafka the story of Milena would have appeared in one form or another, argues Anthony Grayling

Famous lives shed fire on to the other lives they touch, illuminating them and rescuing them from history.

In this life of Milena, Mary Hockaday proves how fortunate it is that emblematic lives can be rescued in this way.

KAFKA, LOVE, AND COURAGE: THE LIFE OF MILENA JESENSKA by Mary Hockaday André Deutsch £17.99, 255 pages

variously scandalous, respected, admired, and at last - in Ravensbruck concentration camp, where she died - adulated by some for her courage and resistance.

books describe the horrors of secret misunderstandings, the guiltless touch, illuminating them, she wrote. "He was a man and an artist so painfully conscious that he heard even where others, the deaf, felt safe."

The story of Milena's life spans a time and place - Prague and Vienna between the wars - which is rich in interest. She was close to the vibrant culture of the period, an habituée of the cafes where the writers and thinkers met to argue, share ideas, write their books.



Keep your hats on. Passengers manage to look elegant and unruffled in the observation lounge of the "Harvath", the Milwaukee Road's 1935 lightweight, streamlined train which could reach speeds of 100 miles-per-hour. Taken from "The Spirit of Steam: The Golden Age of North American Steam" by William L. Whitran (Salamanca Books, £14.99)

Saint, sinner or just a tease?

The master of perfect prose has managed to defy his biographers, writes Malcolm Rutherford

Malcolm Muggeridge had at least one last achievement to his credit. He was the first western journalist to report in some detail that the Soviet Union was not the paradise which many British intellectuals believed it to be.

Parts of it are very witty, particularly the debunking of the editor, C.P. Scott. The book had to be pulped because the MG threatened to sue for libel. The alleged offence was the claim that the MG could afford to be high-minded liberal because it relied for its profits on the altogether different Manchester Evening News.

As Ingrams points out, however, from very early on Muggeridge had a sequence of apparently chance encounters that ran throughout his life. His favourite teacher at primary school was Helen Corke, the girlfriend of D.H. Lawrence who was teaching nearby. When, after

So it went on. Muggeridge first met Mother Teresa, who helped to guide him into the catholic church, when he interviewed her on television.

Yet, as Ingrams comments, there were several Americans and Canadians who did not have the problem of having to reconcile the early Muggeridge with the born again Malcolm. One of them was Conrad Black, subsequently the owner of the Daily Telegraph, who regarded Muggeridge as a religious guru.

A flair for symbolism

Mark Archer discusses a powerful, political dynasty

When the Pope addressed the European parliament some years ago, he was interrupted by a small group of protesters led by the Reverend Ian Paisley who waved placards and shouted "No Popery!"

Greek divinities and the bizarre godheads of Ancient Egypt. His grandson Charles V (1500-58) revived the family's chivalric Order of the Golden Fleece.

THE HABSBURGS: EMBODYING EMPIRE by Andrew Wheatcroft Viking £20, 384 pages

beginning with the 14-year-old Maximilian's union with the daughter of the Duke of Burgundy, ruler of the most magnificent court in Europe.

There is an intriguing area of fiction where the novel proper meets the "thriller". Some of the best novelists have been fascinated by the challenge (Greene is the obvious example); some of the better thriller writers have been tempted to return the compliment.

Frances Hegarty established her reputation with a number of superior crime stories under the name Frances Fyfield. With Let's Dance (Viking £15), she uses elements of the thriller - suspense, violence, death - in what turns out to be an entirely serious, indeed sobering, study of an anguished relationship between mother and daughter.

Thrillers/J.D.F. Jones Tortured relationships hopes, that she loves her mother; she discovers that she might instead hate her. She then there is George, the ex-con, who loves Serena in a different, perhaps truer way, and Andrew, the saleroom dealer, who loved Isabel until her mother destroyed them - or did she? Outside, the local villains gather, birds of prey, to exploit a pathetic old woman who is happy to dance with them as they wheel her furniture out of the door.

private eye sets off in search of a missing girl, but this time he is not accompanied by his black sidekick, Hawk, and he gets mired in an Hispanic slum in a decaying Massachusetts mill town. The tale is slowed down by the artificial device of inserting the girl's thoughts and reactions in Italian.

سكتا من الاصل

WEEKEND INVESTOR

Selecting shares by the alphabet

Readers will notice an extra list just before the London share service pages in the back of the first section today.

Those investors who have problems hunting for their shares amid the myriad sectors might find it worth hanging on to today's pages for future reference.

The sector classifications, which are devised by the FT-SE actuaries industry classification committee, make it easier for investors to compare similar companies.

Some changes have been made to the sectors for the new year. One important alteration is the disappearance of the catch-all "other services and

businesses" sector. The companies concerned have been redistributed to other sectors.

The brewing sectors also have been reorganised to reflect the fact that many companies now make their money from running pubs rather than making beer.

Extra copies of the list may be obtained by sending a UK cheque for £2.50, made payable to The Financial Times Ltd, to the Back Issues Department, Financial Times, Southwark Bridge, London SE1 9HL.

Results due next week

Table with columns: Company, Sector, Announc date, Last year interim, Dividend (p), This year interim. Lists companies like Barr (AG), Demers Electrical, French, Jersey Electricity, etc.

Dividends are shown net of tax and are adjusted for any intervening scrip issues. Reports and accounts are not normally available until about 10 days after the board meeting to approve preliminary results.

Last week's preliminary results

Table with columns: Company, Sector, Year, Pre-tax profit (£000), Change, Dividend (p). Lists companies like Canon Ltd & Co, British Airways, etc.

Figures in parentheses are for the corresponding period. Dividends are shown net of tax and are adjusted for any intervening scrip issues.

Offers for sale, placements & introductions

Deane Peterson is to raise £10m via a placing, open offer and intermediaries offer.

Current takeover bids and mergers

Table with columns: Company, Bidder, Value of bid (£m), Market value (£m), Price, Value of bid (£m), Bidder. Lists companies like AMEC, Aspro, Arco Energy, etc.

Gift issues - best value v tax status

Your capital gain on a gift - a UK government bond - is tax free. However, you pay tax on the interest.

Table with columns: Stock, Price, Yield %, Volatility %. Lists various stock types like CONVENTIONAL, INDEX-LINKED, etc.

Permanent interest-bearing shares

PBs are the closest you can get to holding ordinary shares in a building society. They are fixed interest securities with no redemption date.

Table with columns: Company, Issue price (£), Minimum (£), Price (£), Yield (gross %). Lists companies like Birmingham Midshires, Bradford & Bingley, etc.

In the Pink

Malaysia - coping with the problems of success

David Roche on a country that has experienced serious overheating in the past. There is a risk that the same problems are reappearing

David Roche is president of Independent Strategy, a global investment research consultancy

After a relatively poor 1995, I think east Asian equity markets will perform better in 1996. But Malaysia might not be part of any upturn.

Malaysia is a country that has to cope with the problems of success. Wishing it well is easy. In an age when egalitarianism and old Hapsburg Europe are being rent asunder along ethnic fault-lines.

and borrowings) indicates that Malaysia is again growing too fast. The government estimates the sustainable growth rate of the economy at 8.0-8.5 per cent.

So far, however, the central bank and the government have focused on administrative rather than macro-economic

percentage of total imports - but they represent a huge proportion of the excess of domestic investment over domestic savings.

That matters because mega-project imports are exogenous in nature, whereas rising capital imports related to industrial development and renewal are endogenous to growth.

So far, however, the central bank and the government have focused on administrative rather than macro-economic

In the first six months of Japan's fiscal year to September 1995, it is no coincidence that while outward Japanese direct investment jumped 25 per cent, investment from Japan into Malaysia fell 27 per cent

But the timing of these purchases does not match sustainable growth. "All right," say some Malaysians, "but we're like a successful corporation in full expansion. Why should we stop investing for success?"

The answer is that countries, like companies, can over-stretch themselves and, when they do, the results can be long-lasting and dangerous.

Malaysia is a full employment economy. Over-expanding capital spending worsens labour shortages, pushes up wages and eats into profitability.

The highgear is the growth of mega-development projects. Such projects are a very low

that while outward Japanese FDI jumped 25 per cent, investment from Japan into Malaysia fell 27 per cent.

Falling FDI will hit the basic balance of payments. As the basic balance slips deep into the red, the very least that is promised is a weak ringgit and more inflationary pressure.

That will force interest rates up - and the wrong way to handle Malaysia's overheating problem is to raise interest rates.

An increase in the EPF savings scheme contributions would help to boost domestic savings and reduce the resource gap.

These measures would bring in more of the right sort of long-term capital Malaysia needs at a lower cost.

Malaysia is still a long-term success story. But, without some immediate policy action, the next two years will be tough.

New issues

Railtrack offer

Private investors will be offered large incentives to buy shares in Railtrack after the government decided this week to go ahead with the privatisation of the company which has taken over British Rail's track, stations and signalling.

Retail investors will be offered shares at a discount to the price paid by institutions, and they will be able to pay in

two instalments. In common with the sale last year of the government's remaining stakes in National Power and PowerGen, the public offer is to be conducted entirely through share shops - mainly banks, building societies and retail brokerage houses.

Clubhaus is being demerged from K-Lands, the property company, and dealings start on February 12.

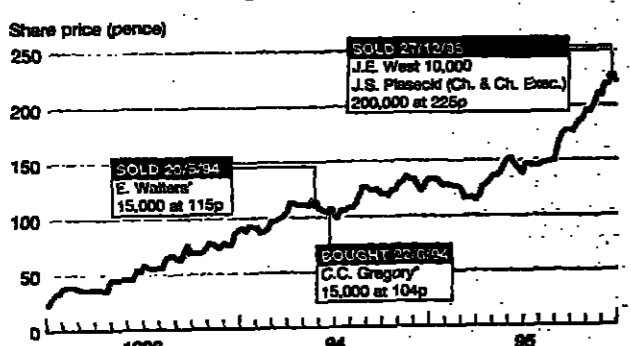
Directors' dealings

Buying food shares

There was more buying at food producer Acatos & Hutchison where chairman Ian Hutchison bought 250,000 shares at 230p.

Biggest sale of the week was at Goldsmiths Group, the high street jewellery chain, where chairman/chief executive Jurek Piasecki and James West sold 210,000 shares between them at 225p.

Goldsmiths Group



Directors' share transactions in their own companies

Table with columns: Company, Sector, Shares, Value (£000), No of directors. Lists transactions for Acatos & Hutchison, Cor Insurance, etc.

Companies must notify the Stock Exchange within five working days of a share transaction by a director.

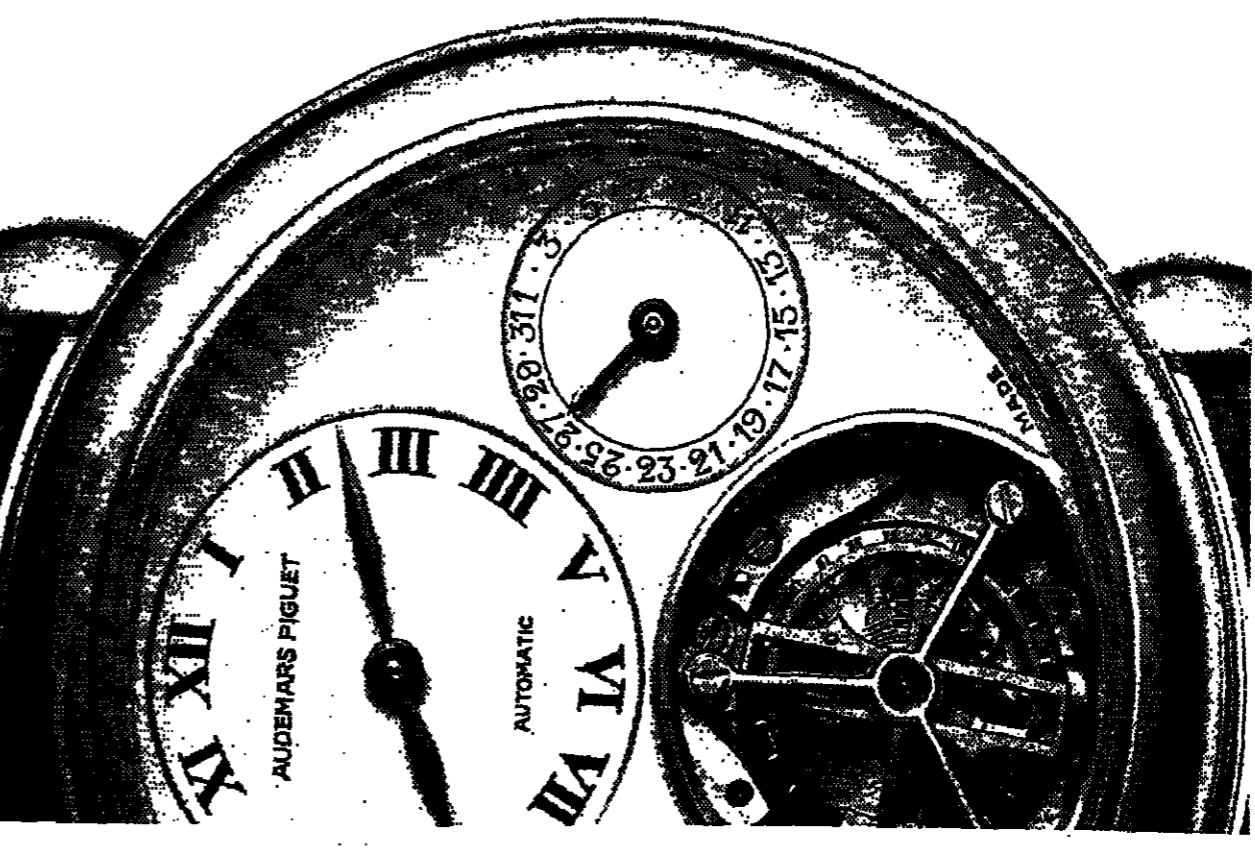
This list contains all transactions (listed and US\$), including exercises of options (if 100% subsequently sold, with a value over £10,000).

TWO HUNDRED YEARS LATER... WE RE-INVENTED THE TOURBILLON WATCH.

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For information and catalogue, please write to: Audemars Piguet & Co S.A., 19-21 rue des Bains, Neuchâtel, Switzerland.



FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4876 for more details.

Table of FT Managed Funds Service listing various fund categories such as 'M & G Life and M & G Pensions - Contd.', 'Scottish Amicable - Contd.', and 'Standard Life Assurance Co Ltd'. Each entry includes fund names, unit prices, and performance metrics.

Table of FT Managed Funds Service listing various fund categories such as 'Scottish Amicable - Contd.', 'Standard Life Assurance Co Ltd', and 'Teachers' Assurance Company Ltd'. Each entry includes fund names, unit prices, and performance metrics.

Money Market Bank Accounts

Table of Money Market Bank Accounts listing various financial institutions and their services, including 'Allied Trust Bank Ltd', 'Bank of Scotland', and 'Barclays Bank'. It details account types, interest rates, and contact information.

Mikimoto advertisement featuring a diamond ring. Text includes 'A UNIQUE AND STERLING SELECTION OF COLLECTED PEARL RINGS', '179 New Bond Street London W1Y 9PD', and 'Tel 0171 629 5300'.

MANAGEMENT SERVICES

Table of Management Services listing various financial management firms and their services, including 'Capital Trust Financial Management', 'DMS Financial Management PLC', and 'International Services Group'.

Money Market Trust Funds

Table of Money Market Trust Funds listing various trust funds and their performance, including 'Cofunds Ltd (High Interest Cheque Account)', 'Cofunds Trust', and 'Cofunds Trust'.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 673 4378 for more details.

Table listing various fund categories such as Global Funds, UK Funds, and Offshore Funds, with columns for fund names and prices.

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OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

MANAGED FUNDS NOTES: This section contains detailed notes regarding fund management, including information on fund objectives, risks, and performance metrics.

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Jan 5 / US\$)

(All figures in US\$)

Table listing various US stock indices and individual stock prices, including S&P 500, Dow Jones, and various sector indices.

CANADA (Jan 5 / Can \$)

(All figures in Can \$)

Table listing Canadian stock indices and individual stock prices.

MEXICO (Jan 5 / Mex \$)

(All figures in Mex \$)

Table listing Mexican stock indices and individual stock prices.

BRAZIL (Jan 5 / R\$)

(All figures in R\$)

Table listing Brazilian stock indices and individual stock prices.

ARGENTINA (Jan 5 / P\$)

(All figures in P\$)

Table listing Argentine stock indices and individual stock prices.

CHILE (Jan 5 / Chile \$)

(All figures in Chile \$)

Table listing Chilean stock indices and individual stock prices.

PERU (Jan 5 / Nuevos S/)

(All figures in Nuevos S/)

Table listing Peruvian stock indices and individual stock prices.

VENEZUELA (Jan 5 / Bol)

(All figures in Bol)

Table listing Venezuelan stock indices and individual stock prices.

COLOMBIA (Jan 5 / C\$)

(All figures in C\$)

Table listing Colombian stock indices and individual stock prices.

NETHERLANDS (Jan 5 / Fl)

(All figures in Fl)

Table listing Dutch stock indices and individual stock prices.

GERMANY (Jan 5 / DM)

(All figures in DM)

Table listing German stock indices and individual stock prices.

FRANCE (Jan 5 / FF)

(All figures in FF)

Table listing French stock indices and individual stock prices.

ITALY (Jan 5 / Lit)

(All figures in Lit)

Table listing Italian stock indices and individual stock prices.

INDICES

Table showing historical index data for various countries from 1995 to 1996.

US INDICES

Table showing US stock market indices and their performance.

AFRICA

Table showing African stock market indices and their performance.

SOUTH AFRICA (Jan 5 / Rand)

Table showing South African stock market indices and their performance.

NEW YORK STOCKS

Table showing New York stock market activity and trading volumes.

TRADING ACTIVITY

Table showing trading activity for various international markets.

ASIA

Table showing Asian stock market indices and their performance.

PACIFIC

Table showing Pacific stock market indices and their performance.

JAPAN (Jan 5 / Yen)

Table showing Japanese stock market indices and their performance.

INDONESIA (Jan 5 / Rp)

Table showing Indonesian stock market indices and their performance.

PHILIPPINES (Jan 5 / P)

Table showing Philippine stock market indices and their performance.

THAILAND (Jan 5 / Baht)

Table showing Thai stock market indices and their performance.

INDONESIA (Jan 5 / Rp)

Table showing Indonesian stock market indices and their performance.

INDEX FUTURES

Table showing index futures prices and movements.

S&P 500

Table showing S&P 500 index futures data.

DAX

Table showing DAX index futures data.

NIKKEI

Table showing Nikkei index futures data.

SOFFEX

Table showing SOFFEX index futures data.

IBEX

Table showing IBEX index futures data.

FTSE 100

Table showing FTSE 100 index futures data.

ASX 200

Table showing ASX 200 index futures data.

SEMI-CONDUCTOR

Table showing semiconductor index futures data.

COMMODITIES

Table showing commodity futures prices.

EXCHANGE RATES

Table showing exchange rates for various currencies.

YIELD RATES

Table showing yield rates for various bonds.

MARKET COMMENTARY

Text providing market commentary and analysis for the week.

Advertisement for Rockwell, featuring the headline 'From automotive to automation, Rockwell gets your business moving' and the Rockwell logo.

Vertical text on the right edge of the page, possibly a page number or reference.

LONDON STOCK EXCHANGE Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Services. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and execution but in ascending order which denotes the day's highest and lowest dealings. For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the relevant date. † Bargains at special prices. ‡ Bargains done the previous day.

British Funds, etc

Treasury 10 1/8% S&K 2000/01 - 125 1/2
Exchange 10 1/8% S&K 2000/01 - 120 1/2 (5/25/95)
Corporation and County Stocks
County City of 10 1/4% Ln S&K 2000 - 228 1/2
Metropolitan Borough Council 7 1/2% Ln S&K 2000 - 111 1/2
Manchester 11 1/8% Red S&K 2007 - 121 (2/26/95)

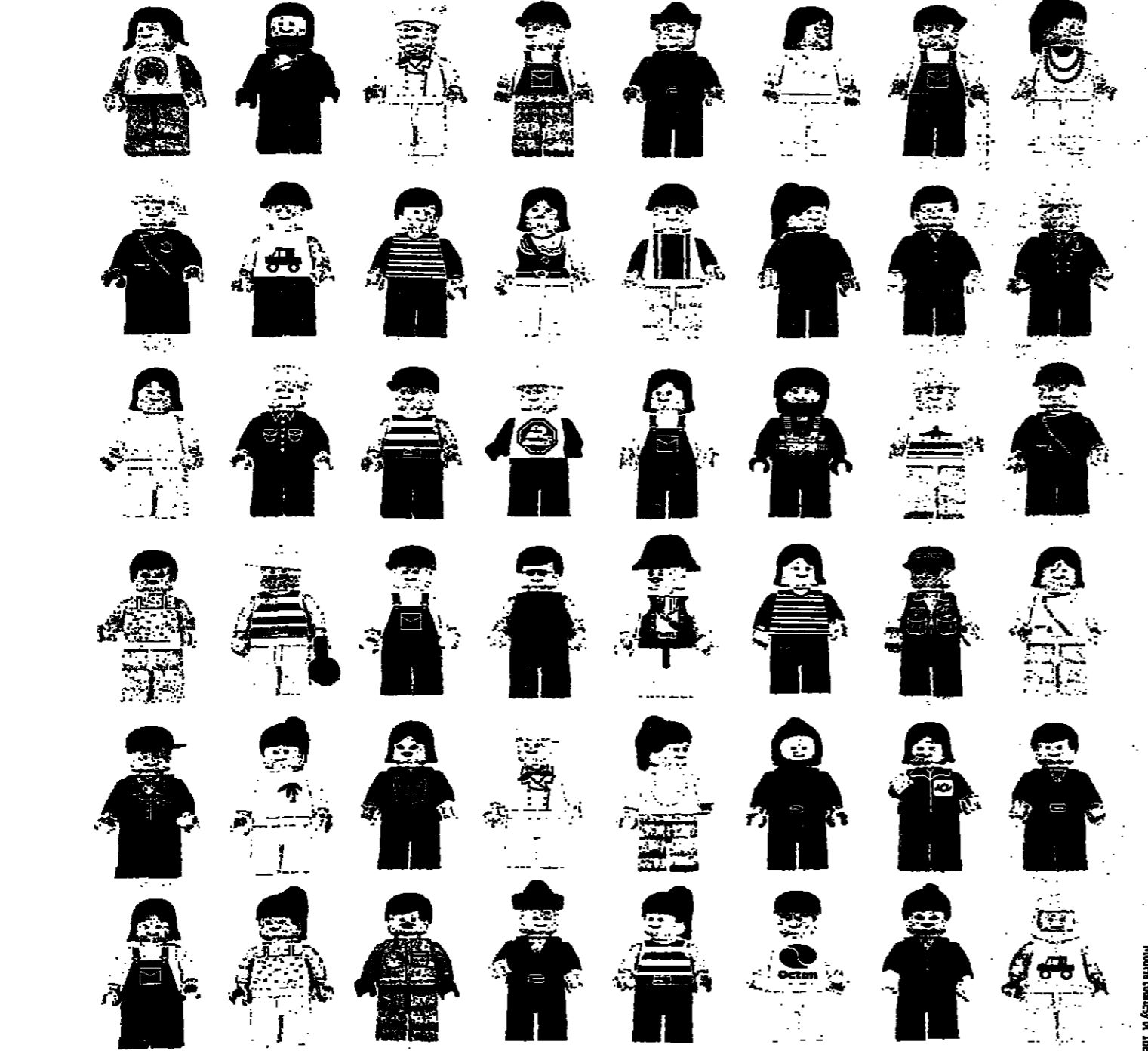
Foreign Stocks, Bonds, etc

(coupons payable in London)
Abney National Treasury Series PLC 8 1/2% S&K 2000 (E V) - 120 1/2 (5/25/95)
ASDA Group PLC 8 1/2% S&K 2000 (E V) - 120 1/2 (5/25/95)
British Gas PLC 8 1/4% S&K 2008 (E V) - 120 1/2 (5/25/95)
British Telecom PLC 8 1/4% S&K 2008 (E V) - 120 1/2 (5/25/95)
British Telecomm. PLC 8 1/4% S&K 2008 (E V) - 120 1/2 (5/25/95)
British Telecomm. PLC 8 1/4% S&K 2008 (E V) - 120 1/2 (5/25/95)

European Investment Bank 10 1/4% Ln S&K 2000/01 - 121 1/2 (5/25/95)
Birmingham Midland Building Soc 8 1/4% Perm Int Bearing S&K 2000 - 120 1/2 (5/25/95)
Brit. Telecom PLC 8 1/4% S&K 2008 (E V) - 120 1/2 (5/25/95)
Brit. Telecom PLC 8 1/4% S&K 2008 (E V) - 120 1/2 (5/25/95)
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Deventer Group PLC 8 1/2% S&K 2000 (E V) - 120 1/2 (5/25/95)
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London Stock Exchange Dealings
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SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really. Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbour-hood slob with a grubby vest and a weekend's stubble on his chin. And the real refugee could just as easily be the clean-cut fellow on his left. You see, refugees are just like you and me.

Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing. And nothing is all they'll ever have unless we all extend a helping hand. We know you can't give them back the things that others have taken away.



United Nations High Commissioner for Refugees

FT-SE Actuarial Share Indices - Quarterly Valuation

Table with columns: Index, Market cap. as at 29/12/95 (£m), % of All-Share Index, Market cap. as at 29/12/95 (£m), % of All-Share Index. Rows include FT-SE 100, FT-SE Mid 250, FT-SE Actuarial 100, FT-SE Actuarial 250, FT-SE Actuarial 350, FT-SE Actuarial 450, FT-SE Actuarial 550, FT-SE Actuarial 650, FT-SE Actuarial 750, FT-SE Actuarial 850, FT-SE Actuarial 950, FT-SE Actuarial 1050, FT-SE Actuarial 1150, FT-SE Actuarial 1250, FT-SE Actuarial 1350, FT-SE Actuarial 1450, FT-SE Actuarial 1550, FT-SE Actuarial 1650, FT-SE Actuarial 1750, FT-SE Actuarial 1850, FT-SE Actuarial 1950, FT-SE Actuarial 2050, FT-SE Actuarial 2150, FT-SE Actuarial 2250, FT-SE Actuarial 2350, FT-SE Actuarial 2450, FT-SE Actuarial 2550, FT-SE Actuarial 2650, FT-SE Actuarial 2750, FT-SE Actuarial 2850, FT-SE Actuarial 2950, FT-SE Actuarial 3050, FT-SE Actuarial 3150, FT-SE Actuarial 3250, FT-SE Actuarial 3350, FT-SE Actuarial 3450, FT-SE Actuarial 3550, FT-SE Actuarial 3650, FT-SE Actuarial 3750, FT-SE Actuarial 3850, FT-SE Actuarial 3950, FT-SE Actuarial 4050, FT-SE Actuarial 4150, FT-SE Actuarial 4250, FT-SE Actuarial 4350, FT-SE Actuarial 4450, FT-SE Actuarial 4550, FT-SE Actuarial 4650, FT-SE Actuarial 4750, FT-SE Actuarial 4850, FT-SE Actuarial 4950, FT-SE Actuarial 5050, FT-SE Actuarial 5150, FT-SE Actuarial 5250, FT-SE Actuarial 5350, FT-SE Actuarial 5450, FT-SE Actuarial 5550, FT-SE Actuarial 5650, FT-SE Actuarial 5750, FT-SE Actuarial 5850, FT-SE Actuarial 5950, FT-SE Actuarial 6050, FT-SE Actuarial 6150, FT-SE Actuarial 6250, FT-SE Actuarial 6350, FT-SE Actuarial 6450, FT-SE Actuarial 6550, FT-SE Actuarial 6650, FT-SE Actuarial 6750, FT-SE Actuarial 6850, FT-SE Actuarial 6950, FT-SE Actuarial 7050, FT-SE Actuarial 7150, FT-SE Actuarial 7250, FT-SE Actuarial 7350, FT-SE Actuarial 7450, FT-SE Actuarial 7550, FT-SE Actuarial 7650, FT-SE Actuarial 7750, FT-SE Actuarial 7850, FT-SE Actuarial 7950, FT-SE Actuarial 8050, FT-SE Actuarial 8150, FT-SE Actuarial 8250, FT-SE Actuarial 8350, FT-SE Actuarial 8450, FT-SE Actuarial 8550, FT-SE Actuarial 8650, FT-SE Actuarial 8750, FT-SE Actuarial 8850, FT-SE Actuarial 8950, FT-SE Actuarial 9050, FT-SE Actuarial 9150, FT-SE Actuarial 9250, FT-SE Actuarial 9350, FT-SE Actuarial 9450, FT-SE Actuarial 9550, FT-SE Actuarial 9650, FT-SE Actuarial 9750, FT-SE Actuarial 9850, FT-SE Actuarial 9950, FT-SE Actuarial 10050.

FT-SE ACTUARIAL INDICES

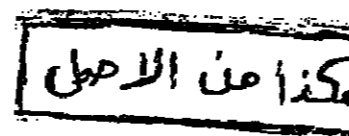
The FT-SE 100, FT-SE Mid 250 and FT-SE Actuarial 350 Indices and the FT-SE Actuarial Industry Basket are calculated by The International Stock Exchange of the United Kingdom and Republic of Ireland Ltd. The FT-SE Actuarial All-Share Index is calculated by The Financial Times Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries. © The Financial Times Limited 1995. All rights reserved. The FT-SE 100, FT-SE Mid 250 and FT-SE Actuarial 350 indices, the FT-SE Actuarial Industry Basket and the FT-SE Actuarial All-Share Index are members of the FT-SE Actuarial Share Indices series which are included in accordance with a standard set of ground rules established by The Financial Times Limited and London Stock Exchange in conjunction with the Institute of Actuaries and the Faculty of Actuaries. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited.

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Macmillan Cancer Relief Macmillan Fund costs to support people with cancer and their families. Reg. Charity No. 261017

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LONDON STOCK EXCHANGE

MARKET REPORT

US worries trigger modest setback in equities

By Steve Thompson, UK Stock Market Editor

London's equity market, along with most European bourses, suffered a series of minor blows yesterday, but managed to come through a tense trading session in reasonably good shape, posting what dealers described as only moderate losses.

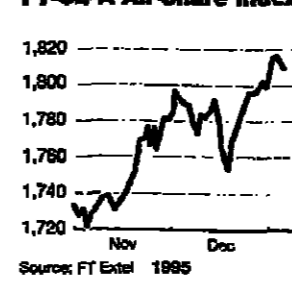
3,704.5. Continuing the trend set earlier in the week, the FT-SE Mid 250 index outperformed the senior index, ending only 0.2 off at 4,071.2.

In a single session last month. Another bearish factor to emerge during the afternoon was the resignation of the Russian foreign minister, news which unsettled the dollar and most financial markets.

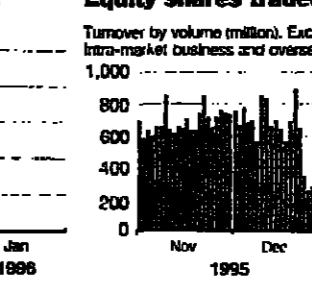
Most market observers remain pretty cautious about the market in the short term, adopting the view that there is little upside in the US or Europe until the US budget is finally settled.

With fund managers unwilling to sell stock too cheaply and preferring to pick up selected issues. The recovery peaked over lunch when Footsie failed to move into positive ground, before slipping back in the late afternoon.

FT-SE-A All-Share Index



Equity shares traded



Indices and ratios table with columns for Index Name, Value, and Change. Includes FT-SE Mid 250, FT-SE-A All-Share, FT-SE-A All-Share yield, FT Ordinary Index, FT-SE-A Non Fins p/e, FT-SE 100 Fut Mar, 10 yr Gilt yield, and Long gilt/equity yield ratio.

FT-SE 100 Index table with columns for Index Name, Value, and Change. Includes Closing Index for Jan 5, Change over week, Jan 4, Jan 3, Jan 2, Dec 29, High, Low, and Intraday high and low for week.

TRADING VOLUME IN MAJOR STOCKS

Table of trading volume in major stocks. Columns include Stock Name, Volume, Closing Price, and Daily Change. Lists major stocks like Astra, Biff, Biff, Biff, etc.

EQUITY FUTURES AND OPTIONS TRADING

Stock index futures ended the week with a quiet session as dealers reflected on a further retreat on Wall Street, writes Joel Kizore.

Table of FT-SE 100 INDEX FUTURES (LFFE) and FT-SE 100 INDEX OPTION (LFFE) prices and volumes. Columns include Open, Settle, Change, High, Low, Est. vol, and Open Int.

FT-SE-A INDICES - LEADERS & LAGGARDS

Table of FT-SE-A indices leaders and laggards. Columns include Index Name, Change, and % Change. Lists various industry indices like FT-SE Mid 250, FT-SE 100, etc.

New MD hopes lift GEC

Defence electronics group GEC was one of the day's best performers after the stock moved strongly ahead on a broker's recommendation and profits upgrade.

NEW 52 WEEK HIGHS AND LOWS

Table of new 52 week highs and lows. Columns include Stock Name, Price, and Change. Lists various stocks like Astra, Biff, etc.

CHIEF PRICE CHANGES YESTERDAY

Table of chief price changes yesterday. Columns include Company Name, Price, and Change. Lists companies like Astra, Biff, etc.

UK Series

Table of UK Series indices. Columns include Index Name, Value, and Change. Lists various UK economic indicators.

FT-SE Actuaries Share Indices

Table of FT-SE Actuaries Share Indices. Columns include Index Name, Value, and Change. Lists various actuarial indices.

FT-SE Actuaries All-Share

Table of FT-SE Actuaries All-Share indices. Columns include Index Name, Value, and Change. Lists various actuarial all-share indices.

LEGAL NOTICES

Legal notices section containing various court orders and legal announcements.

LEGAL NOTICES

Legal notices section containing various court orders and legal announcements.

Hourly movements

Table of hourly movements. Columns include Index Name, Value, and Change. Lists various indices at different times of the day.

FT-SE Actuaries 350 Industry baskets

Table of FT-SE Actuaries 350 Industry baskets. Columns include Basket Name, Value, and Change. Lists various industry baskets.

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Legal notices section containing various court orders and legal announcements.

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Legal notices section containing various court orders and legal announcements.

GUIDE TO UK SHARE CLASSIFICATION

For explanation see Weekend FT Page 17

Table listing UK share classifications across various sectors including Chemicals, Engineering, Food, Healthcare, and Technology. Each entry includes the company name and its primary industry classification.

GUIDE TO UK SHARE CLASSIFICATION

For explanation see Weekend FT, Page 17

Main table listing UK share classifications across various sectors including Chemicals, Electronics, Food, Health Care, and more. Each entry includes a company name and its primary industry classification.

Listing compiled on 3 January 1996

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector, including names like Guinness, Heineken, and Carlsberg, with their respective share prices and market data.

BUILDING MATS. & MERCHANTS - Cont.

Table listing companies in the Building Materials & Merchants sector, including names like Bunnings, Wickes, and Homebase.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Table listing companies in the Electronic & Electrical Equipment sector, including names like Philips, Philips Electronics, and Philips Consumer Electronics.

EXTRACTIVE INDUSTRIES - Cont.

Table listing companies in the Extractive Industries sector, including names like Anglo American, Anglo Coal, and Anglo Platinum.

HOUSEHOLD GOODS - Cont.

Table listing companies in the Household Goods sector, including names like Hoover, Hoover Limited, and Hoover Group.

INVESTMENT TRUSTS - Cont.

Table listing various investment trusts, including names like British American Tobacco, British American Tobacco Investment Trust, and British American Tobacco Investment Trust.

BANKS, MERCHANT

Table listing banks and merchant companies, including names like Bank of America, Citicorp, and Citicorp.

CHEMICALS

Table listing chemical companies, including names like BASF, BASF AG, and BASF AG.

BREWERIES, PUBS & REST

Table listing breweries, pubs, and restaurants, including names like Carlsberg, Carlsberg Breweries, and Carlsberg Breweries.

DISTRIBUTORS

Table listing distributor companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

ENGINEERING

Table listing engineering companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

BUILDING & CONSTRUCTION

Table listing building and construction companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

DIVERSIFIED INDUSTRIALS

Table listing diversified industrial companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

FOOD PRODUCERS

Table listing food producer companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

INVESTMENT TRUSTS

Table listing investment trusts, including names like Anglo American, Anglo Coal, and Anglo Platinum.

GAS DISTRIBUTION

Table listing gas distribution companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

HEALTH CARE

Table listing health care companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

BUILDING MATS. & MERCHANTS

Table listing building materials and merchant companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

ELECTRICITY

Table listing electricity companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

ENGINEERING, VEHICLES

Table listing engineering and vehicle companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

ELECTRONIC & ELECTRICAL EQPT

Table listing electronic and electrical equipment companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

EXTRACTIVE INDUSTRIES

Table listing extractive industry companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

HOUSEHOLD GOODS

Table listing household goods companies, including names like Anglo American, Anglo Coal, and Anglo Platinum.

INV TRUSTS SPLIT CAPITAL

Table listing investment trusts with split capital, including names like Anglo American, Anglo Coal, and Anglo Platinum.

ENV TRUSTS SPLIT CAPITAL - Cont.

Table listing environmental trusts with columns for Name, Price, and other financial data.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies with columns for Name, Price, and other financial data.

OTHER FINANCIAL - Cont.

Table listing other financial companies with columns for Name, Price, and other financial data.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and other financial data.

SUPPORT SERVICES - Cont.

Table listing support services companies with columns for Name, Price, and other financial data.

AIM - Cont.

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and other financial data.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and other financial data.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and other financial data.

LIFE ASSURANCE

Table listing life assurance companies with columns for Name, Price, and other financial data.

MEDIA

Table listing media companies with columns for Name, Price, and other financial data.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, and other financial data.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and other financial data.

RETAILERS, FOOD

Table listing food retailers with columns for Name, Price, and other financial data.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and other financial data.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for Name, Price, and other financial data.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for Name, Price, and other financial data.

AMERICANS

Table listing American companies with columns for Name, Price, and other financial data.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and other financial data.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and other financial data.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, and other financial data.

OIL, INTEGRATED

Table listing integrated oil companies with columns for Name, Price, and other financial data.

PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies (continued) with columns for Name, Price, and other financial data.

RETAILERS, GENERAL - Cont.

Table listing general retailers (continued) with columns for Name, Price, and other financial data.

PROPERTY

Table listing property companies with columns for Name, Price, and other financial data.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and other financial data.

TOBACCO

Table listing tobacco companies with columns for Name, Price, and other financial data.

TRANSPORT

Table listing transport companies with columns for Name, Price, and other financial data.

WATER

Table listing water companies with columns for Name, Price, and other financial data.

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Stock, a member of the Financial Times Group. Company classifications are based on those used for the FT-SE Actuaries Share Indices. Cheapest bid-ask prices are shown in pence unless otherwise stated. Rights and loans are based on last-day bid prices. Where shares are denominated in currencies other than sterling, this is indicated after the price. Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published as follows: Market capitalization shown in calculated approximate for each line of stock quoted. Earnings used in calculations are based on IAS/US GAAP Earnings/Forms. P/E ratios are based on latest annual reports and accounts and, where possible, are quoted on a book value basis. Voids are based on bid-ask prices, as given, adjusted for a dividend in arith of 20 pence and show the value of declared distribution and rights. Estimated Net Asset Value (NAV) are shown for Investment Trusts, in pence per share, along with the percentage discount (D) or premium (P) to the current closing share price. The NAV is based on the latest available data as at year end, sometimes converted and sometimes calculated at interim account. Estimated Net Asset Value (NAV) are shown for Investment Trusts, in pence per share, along with the percentage discount (D) or premium (P) to the current closing share price. The NAV is based on the latest available data as at year end, sometimes converted and sometimes calculated at interim account. This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £250 a year for each company listed, subject to the Editor's discretion. FT Free Annual Reports Service: You can obtain the current annual/interim report of any company associated with FT. Please quote the code FT9633, Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822. Reports will be sent the next working day, subject to availability. Both Annual Reports and FT Company Focus are available from the above number. FT Company Focus: Comprehensive 10-14 page report available on this company, containing key FT stories from the last year, latest survey of City FT forecasts and investment recommendations, 5 year financial and share price performance review, balance sheet and profit and loss data, plus recent Stock Exchange announcements for D.S.A.s. To order, call 0121 200 4678. Reports published by ShareFinder Ltd. FT Cityline: Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details. An international service is available for callers outside the UK, annual subscription £250 stg. Call 0171 573 4378 for more information on FT Cityline. For readers phoning from outside UK, please dial +44 in place of the first 0.

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Investment bank revolt led to UK exchange chief's downfall

By John Gapper, Banking Editor, in London

Mr Michael Lawrence, the chief executive of the London Stock Exchange, was dismissed after members of some of the largest investment banks staged a revolt against the manner in which he was implementing share trading reforms.

Two leading investment bankers met Mr John Kemp-Welch, the exchange's chairman, in mid-December to make a formal protest at the method by which the exchange's board was planning to change how shares are traded in London.

Senior members of the exchange say the protest over the way reforms were being implemented was not directly connected with Mr Lawrence's dismissal. However, the incident contributed to discontent with Mr Lawrence among City of London financiers.

The protest by Lord Rockley, chairman of Kleinwort Benson, the investment bank owned by Germany's Dresdner Bank, and Mr Martin Owen, chief executive of NatWest Markets, the investment banking arm of National Westminster Bank, led to a change of heart by the



Lawrence: may consider suing exchange for wrongful dismissal

exchange's board on Thursday.

At the meeting, it both approved a call for Mr Lawrence's resignation, and added representatives from three firms of marketmakers, which act as wholesale share traders, to a committee which will monitor trading reforms.

Although the exchange has not

yet announced the membership of the nine-person committee, Mr Michael Marks of Merrill Lynch, Mr Scott Dobbie of NatWest Markets and Mr Hector Santa of Union Bank of Switzerland, have been added.

Mr Kemp-Welch said on Thursday that no single incident led to Mr Lawrence's dismissal, and he had been dismissed as a result of a "loss of confidence over a long period" among the exchange's 350 member firms, and its board.

Investment bankers say they were exasperated by a series of incidents unconnected with trading reforms. They disliked what they regarded as a failure by Mr Lawrence to consult them on issues before implementing controversial changes.

"People were left feeling that they never quite knew what was going on, and they had to keep jumping up and down to get attention. The handling of this issue simply crystallised the feeling," said a leading member of the exchange.

Mr Lawrence, who is 52, was under a one-year contract which said him £245,000 (£238,000) last year. He has not yet been paid a bonus he was due for the year to December 31, and is likely to seek a payment of about £200,000 from

the exchange. He may consider suing the exchange for wrongful dismissal if negotiations between his lawyers and those of the exchange are not concluded successfully. An action could centre on a claim that he was given insufficient warning.

Government officials are thought to have been concerned that Mr Lawrence was not warned of dissatisfaction with his performance before he was told by Mr Kemp-Welch on Thursday that the board wanted his resignation immediately.

Although Mr Lawrence's proposals for trading reform were approved at a board meeting on November 30, some members were unhappy at the way in which Mr Lawrence proposed offering a "hybrid" system of trading from August this year.

After the dispute over trading reforms, Mr Kemp-Welch asked the exchange's senior appointments and remuneration committee, chaired by Mr John Bond of the banking group HSBC Holdings, to discuss Mr Lawrence's position. The committee met several times, and decided to recommend Mr Lawrence's dismissal earlier this week.

Man in the news, Page 9

Yeltsin moves to reassure west as nationalists applaud departure Russian foreign chief Kozyrev quits

By John Thornhill in Moscow

Mr Andrei Kozyrev, the Russian foreign minister who helped reintegrate his country into the world community after the collapse of the Soviet Union, yesterday resigned to become a deputy in the newly elected parliament.

A liberal career diplomat much admired in western capitals but long reviled by Russian nationalists, Mr Kozyrev appeared to have lost the confidence of President Boris Yeltsin in recent months.

Mr Yeltsin sharply criticised Mr Kozyrev last year for his failure to check Nato's eastward expansion plans and his inability to bring sufficient Russian influence to bear in the former Yugoslavia.

The departure of Mr Kozyrev, blamed by critics for placing too much emphasis on relations with

the west, comes at a time of renewed Russian interest in relations with China, which Mr Yeltsin hopes to visit in the spring.

In accepting Mr Kozyrev's resignation, Mr Yeltsin tried to reassure the west that there would be no nationalist lurch in policy despite the strong showing of the communists and ultra-nationalists in last month's parliamentary elections.

"Western countries should not regard the resignation of Andrei Kozyrev from the post of foreign minister as any kind of threat or as an indication of change in Russia's foreign policy," the presidential spokesman said.

The Communist party welcomed his departure. "All Kozyrev's blunders have been in favour of the west," a spokesman said.

Mr Sergei Krylov, deputy foreign minister, will take charge of foreign policy until a permanent

replacement is appointed. Western diplomats praised Mr Kozyrev's contribution to dismantling Cold War antagonisms. "Russia's relations with the west have been completely transformed during his time as foreign minister and Kozyrev personally can take a large part of the credit for that," one said yesterday.

But diplomats said future Russian policy was bound to become more nationalist in style - if not necessarily in substance - to reflect the increasingly anti-western mood within the country.

In the early 1990s Mr Kozyrev introduced a new approach to Russian diplomacy, even appearing on western television talks-shows to explain his country's policies in flawless English. His willingness to co-operate with international organisations led to him being nicknamed Mr D (yes) in contrast to one of his

legendary Soviet predecessors, Andrei Gromyko, who was known as Mr Nyet (no).

As one of Mr Yeltsin's most loyal and longest-serving ministers, Mr Kozyrev succeeded in dispelling many of the west's concerns about the president's erratic character and policies. Such was his influence that the west barely objected to Mr Yeltsin's use of force in October 1993 to crush his hardline opponents in the Supreme Soviet.

After being elected an independent deputy for the northern city of Murmansk last month, Mr Kozyrev had to choose between remaining a minister or taking up his post in parliament. His resignation was widely seen in Moscow as an elegant exit pre-empting his likely dismissal.

Kozyrev introduced Russia to a world it still mistrusts, Page 2

THE LEX COLUMN

Spanish bulls

Only months after buying Smith New Court, Merrill Lynch is poised to do a deal with FG, Spain's largest independent Spanish broker. Merrill's "global and local" strategic plan had already pinpointed Spain as one of six European countries in which it wished to compete for domestic business. The strategy makes some sense: parachuting in specialists from a regional head office has limitations. Firms like Goldman Sachs win a large share of cross-border business this way, but Merrill wants to get domestic deals too. For this, a strong presence on the ground, with trading and research capacity, is clearly needed.

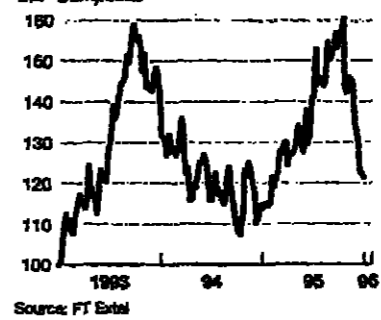
But FG, a top broker, will not necessarily give Merrill access to primary business. The Spanish banks, most of which own brokerages, have better access to corporate clients. And, unlike others in Europe, they are good at marketing and distribution, as Spain's relatively successful privatisation record demonstrates. Since broking margins are thin and overheads high, returns will be disappointing unless such business is generated.

Still, there are opportunities. Spain's small pension fund system is likely to grow and Spanish investors have yet to put much money overseas. Merrill's global reach will give it a strong competitive advantage in winning some of this business. Provided Merrill does not overpay, the deal may prove fruitful. But an even more daunting task lies ahead: building up operations in France and Germany, through acquisition or organic growth. Merrill faces a long haul.

FT-SE Eurotrack 200: 1615.0 (-16.7)

Merrill Lynch:

Share price relative to the S&P Composite



Source: FT Edm

incentives for homeowners, the government is not going to damage the housing market either.

The danger is that the old relationship between house values and incomes has been dissolved by the shock of the recession. House prices are down more than 10 per cent nationally from their 1989 peak - and by 35 per cent in the south east - and have remained essentially flat since 1992. In that context, a 2 per cent increase will do little to restore confidence. One in 10 mortgaged homes is still burdened by negative equity and borrowers can no longer inflate their way out of debt.

This year may produce the first rise in house prices for nearly a decade. But it hardly deserves to be called a recovery.

to make a mall-shot to 6m customers over the holidays. The latest market share figures suggest that, having overtaken Sainsbury in dry groceries last May, it is now almost three percentage points ahead.

The big question for this year is how Sainsbury will fight back. It has yet to find a response to Tesco's loyalty card, but it still enjoys the highest sales per square foot among the majors. The group appointed a new marketing director in November and its current January Savers campaign, though no more significant than Safeway's in scale, is notably more aggressive in tone. If the group manages to revive some of its flagging sales momentum, it will be tempted to continue. That could turn today's phony price war into a real one.

Granada

It is crunch time for Granada. Over the weekend, it must decide whether to walk away from its £3.3bn bid for Forte, or raise it convincingly. It has to make that decision against the background of a lukewarm response from its shareholders. At least rumours of the bid's demise, while extraordinarily premature, have aided Granada's share price, which would help fund a higher offer. Nonetheless, with Forte's share buy-back proposals offering the characteristics of a share support programme, it is hard to imagine Granada winning for much less than £3.70 a share compared with the current £3.35 bid.

If Granada walked away, its share price would rally. After all, it could look forward to two years of double digit earnings growth anyway. It could blame the U-turn on Forte's asset-stripping and a greedy Council of Forte, which wants a special deal in exchange for its voting rights. Nonetheless, Granada's management would look strategically bereft and struggle to find sufficient investment opportunities for its cash flow.

It is far more likely to come out shooting - for it has spent years stalking this prey. But it would have to be able to provide a range of justifications for a convincingly higher offer - through a detailed analysis of its proposed cost savings; convincing proposals for improving yields at Forte's mid-market hotels; and preferably some provisional deals to dispose of unwanted Forte assets, such as luxury hotels. The only certainty is that there will be an extraordinarily fine line between victory and over-paying.

UK supermarkets

For all the talk of a renewed price war, the January promotions launched this week by J Sainsbury, Safeway and Iceland amount to little. Safeway, for example, is cutting prices on just 70 products in supermarkets that stock around 20,000 lines. In most big stores at least 20 items are subject to some type of special offer all year round. The promotions look more like sharp marketing in a quiet month than a real food fight.

Even so, the sector remains extremely competitive. Christmas trading statements over the next few weeks should reconfirm last year's trends, with Asda and Tesco expected to report double digit sales growth. Argyl's Safeway recovering and Sainsbury continuing to lag behind. Tesco is still benefiting from its Clubcard loyalty scheme, which allowed it

UK house prices

This is the time of year when the housing market traditionally gets frisky. True to form, mortgage lenders and market pundits are again forecasting the long-awaited recovery. For 1996, expectations are for a 2.8 per cent rise in house prices, with a 10 per cent increase in transactions.

That optimism is based on hopes that this will be the year economic recovery and tax cuts finally feed through to consumers. In the past, rising disposable incomes have tended to drive the housing market. Measured against incomes, houses are now more affordable than at any time since the early 1980s. The last time mortgage rates were this low - albeit with more generous tax relief than today - the Beatles were in their heyday. While the last Budget carried no special

Comic cuts

Continued from Page 1

Marvel also said it would cut down on fancy covers and expensive papers for its comics. These are designed to appeal to comic book collectors and speculators, a market which collapsed in 1993.

This is not the first sign of trouble at Marvel. In March last year it warned that as a result of the baseball strike, it would

increase earnings by only 15-20 per cent for 1995, to \$0.69-0.72 per share.

Yesterday it said earnings before extraordinary charges would be only \$0.05 for the full year. The pre-tax charge of \$25m brings total charges for the year to \$55m.

Wall Street evidently takes the threat to the empire seriously. Marvel's shares dropped 3 per cent yesterday to \$12.

Adobe shares slide 40%

Continued from Page 1

integrating the Frame sales force into Adobe's, and to increased spending on marketing and product development. He also said the company's fourth quarter revenue of \$201m was about \$10m below expectations, in part because of weak sales at Frame and late shipments of a new Adobe product, Adobe Illustrator. Adobe is developing software

for Internet publishing. Mr Geschke said publishers already familiar with the company's software would be able to make an easy transition from paper to electronic distribution with Adobe's new products. Mr Ed Berensman, head of research at Daini securities, said he thought the share price drop created a buying opportunity because Adobe represents a relatively safe way to buy into an Internet-related share.

FT WEATHER GUIDE

Europe today

Near gale force winds are expected over the North Sea and the British Isles as a deepening depression approaches from the west. The southern coast of Ireland will also temporarily have gale force winds. England, Scotland and central France will have sunny spells. Ireland, western France, Portugal and most of Spain will have outbreaks of rain. Northern France and the Benelux will be mainly cloudy with patchy or freezing rain. Much of Italy will have rain. The former Yugoslavia and Greece will stay dry with sunny periods. High pressure will dominate western Russia and eastern Europe producing dry but cloudy conditions. Afternoon temperatures will be far below freezing.

Five-day forecast

Spain, Italy and former Yugoslavia will be cloudy with outbreaks of rain during and after the weekend. Later, south-east Europe will turn unsettled but Italy will stay mainly dry. Most of the UK will remain rainy and windy. The Benelux will have cloud and rain as milder air approaches. High pressure will remain stationary over western Russia, resulting in cloudy but dry conditions in eastern Europe and western Russia. It will remain cold.

TODAY'S TEMPERATURES

Almaty	sun	2	Caracas	far	29	Faro	rain	18	Madrid	rain	12	Rangoon	sun	31
Azores	far	10	Cardiff	rain	10	Frankfurt	cloudy	7	Malaga	cloudy	16	Reykjavik	rain	6
Abu Dhabi	far	27	Casablanca	far	19	Geneva	drizz	7	Manila	cloudy	17	Rio	shower	28
Acra	far	20	Chicago	far	11	Gabarie	rain	17	Manchester	drizz	9	Rome	rain	15
Algiers	shower	17	Cologne	cloudy	1	Guangzhou	far	8	Marseille	far	15	S. Francisco	far	15
Amsterdam	drizz	2	Dakar	far	29	Hamburg	far	4	Melbourne	far	27	Seoul	sun	5
Aden	cloudy	11	Dallas	sun	31	Helsinki	cloudy	2	Mexico City	sun	18	Singapore	cloudy	30
Astana	rain	13	Hong Kong	sun	22	Osaka	cloudy	21	Miami	rain	24	Stockholm	cloudy	6
B. Aires	sun	29	Dubai	sun	26	Honolulu	far	27	Milan	rain	2	Strasbourg	cloudy	0
Bangkok	sun	30	Dublin	sun	11	Istanbul	rain	4	Montreal	sun	15	Sydney	rain	23
Barcelona	cloudy	12	Dubrovnik	far	10	Jakarta	shower	28	Moscow	cloudy	9	Taipei	shower	18
			Edinburgh	rain	8	Jersey	rain	8	Mumbai	far	28	Tel Aviv	shower	16
						Karachi	far	27	Nairobi	far	26	Tokyo	far	9
						Kuwait	shower	20	Naples	drizz	13	Toronto	far	13
						L. Angeles	far	21	Nassau	far	25	Vancouver	rain	7
						Lima	cloudy	28	New York	sun	4	Venice	rain	4
						London	rain	17	Nice	rain	13	Warsaw	cloudy	3
						Luxembourg	drizz	10	Nicosia	shower	17	Wellington	far	20
						Lyon	drizz	10	Oslo	snow	10	Washington	far	3
						Madeira	cloudy	22	Paris	drizz	7	Wellington	far	20
									Perth	sun	32	Winnipeg	sun	22
									Prague	cloudy	5	Zurich	cloudy	1

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

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'This ship is unsinkable'

Designer of the Titanic, May 1911.

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